

Federal and State Income Taxation of Individuals Form #12.003

by:
**Sovereignty Education
and Defense Ministry
(SEDM)**

<http://sedm.org>

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Course Materials

If you want a copy of this presentation after viewing the course, you can download it from:

- Liberty University, Item #3.1

<http://sedm.org/LibertyU/LibertyU.htm>

- Forms Page, Form #12.003

<http://sedm.org/Forms/FormIndex.htm>



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Reasonable Belief About Income Tax Liability, Form #05.007

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Admonition

- If you are using government services, then you should pay for everything you use.
- Don't pay your "fair share", pay what the law says you owe and nothing more. "Fair share" is too subjective and when used as a criteria in court, politicizes and corrupts the courts.
- The following persons are irresponsible and thieves:
 - Those who don't pay for all the services they use
 - Those who collect more from an unwilling "taxpayer" than is necessary to pay for the services they use
 - Those who collect anything from a person who does not want or does not need government services and who refuses to declare a domicile within the jurisdiction of the state. See:
Why Domicile and Becoming a "Taxpayer" Require Your Consent, Form #05.002
<http://sedm.org/Forms/FormIndex.htm>
- Your public DIS-servants selfishly only concern themselves with the FIRST of the three items above. We ensure they worry about ALL of the items above, because if they don't, THEY and not you are the thief.
- If you are going to use the information in this presentation to lawfully avoid taxes, you should also agree to stop using the government services that they pay for. This is the only way to be a responsible American and avoid burdening or hurting your neighbor.
- We believe that those who do not wish to contribute anything to the tax system should always have a lawful option to "divorce the state" and refuse to accept government services or the obligations that go with them. This is what it means to live in a free country.
- Government is a corporation, and like any other corporation, we should have a right NOT to do business with them. See 28 U.S.C. §3002(15)(A). To admit otherwise, is to admit that the government can compel you to contract with them in violation of Article 1, Section 10 of the U.S. Constitution.

Admonition Summary

"People of all races, genders, political beliefs, sexual orientations, and nearly all religions are welcome here. All are treated equally under REAL "law". The only way to remain truly free and equal under the civil law is to avoid seeking government civil services, benefits, property, special or civil status, exemptions, privileges, or special treatment. All such pursuits of government services or property require individual and lawful consent to a franchise and the surrender of inalienable constitutional rights AND EQUALITY in the process, and should therefore be AVOIDED. The rights and equality given up are the "cost" of procuring the "benefit" or property from the government, in fact. Nothing in life is truly "free". Anyone who claims that such "benefits" or property should be free and cost them nothing is a thief who wants to use the government as a means to STEAL on his or her behalf. All just rights spring from responsibilities/obligations under the laws of a higher power. If that higher power is God, you can be truly and objectively free. If it is government, you are guaranteed to be a slave because they can lawfully set the cost of their property as high as they want as a Merchant under the U.C.C. If you want it really bad from people with a monopoly, then you will get it REALLY bad. Bend over. There are NO constitutional limits on the price government can charge for their monopoly services or property. Those who want no responsibilities can have no real/PRIVATE rights, but only privileges dispensed to wards of the state which are disguised to LOOK like unalienable rights. Obligations and rights are two sides of the same coin, just like self-ownership and personal responsibility. For the biblical version of this paragraph, read 1 Sam. 8:10-22. For the reason God answered Samuel by telling him to allow the people to have a king, read Deut. 28:43-51, which is God's curse upon those who allow a king above them. [Click Here](#) (<https://famguardian.org/Subjects/Taxes/Evidence/HowScCorruptOurRepubGovt.htm>) for a detailed description of the legal, moral, and spiritual consequences of violating this paragraph."

[SEDM Opening Page (bottom); <http://sedm.org>]

"We have repeatedly held that the Federal Government may impose appropriate conditions on the use of federal property or privileges [franchises, Form #05.030] and may require that state instrumentalities comply with conditions [obligations, Form #12.040] that are reasonably related to the federal interest in particular national projects or programs. See, e. g., *Ivanhoe Irrigation Dist. v. McCracken*, 357 U.S. 275, 294 -296 (1958); *Oklahoma v. Civil Service Comm'n*, 330 U.S. 127, 142 -144 (1947); *United States v. San Francisco*, 310 U.S. 16 (1940); cf. *National League of Cities v. Usery*, 426 U.S. 833, 853 (1976); *Fry v. United States*, 421 U.S. 542 (1975). A requirement that States, like all other users, pay a portion of the costs of the benefits [Form #05.040] they enjoy from federal programs is surely permissible [meaning CONSTITUTIONAL] since it is closely related to the [435 U.S. 444, 462] federal interest in recovering costs from those who benefit and since it effects no greater interference with state sovereignty than do the restrictions which this Court has approved."

[Massachusetts v. United States, 435 U.S. 444 (1978); https://scholar.google.com/scholar_case?case=16842193024599209893]

Learning Objectives

- Teach the basics of reading and understanding the Constitution, Statutes, and Regulations
- Review the conclusions of the following relating to citizenship. See: *Citizenship and Sovereignty Course*, Form #12.001
<http://sedm.org/LibertyU/LibertyU.htm>
- Explain precisely who are “taxpayers” under Subtitle A of the Internal Revenue Code. Everyone else is, by implication, a “nontaxpayer”
- Explain what types of income really are “taxable” to “taxpayers”
- Describe the relationship between State and Federal income tax “schemes”
- Review overwhelming evidence documenting mis-enforcement of the tax code (franchise) by the IRS and state tax authorities
- Describe the educational materials and services that SEDM offers to “nontaxpayers” domiciled outside the “federal zone” who want to defend their rights and their property from unlawful and injurious actions by the IRS
- Give you a starting point for further research and education into the subject of personal income taxes

Course Outline

- 1. What is a “tax”?**
- 2. Who are “individuals”?**
- 3. Constitution**
- 4. Statutes**
- 5. Regulations**
- 6. Federal Enforcement Authority**
- 7. Words of Art in the Law**
- 8. Definitions**
- 9. Precedence and Hierarchy of law**
- 10. “Citizenship and sovereignty” course review**
- 11. Citizenship Status v. Tax Status**
- 12. American Nationals are Nonresidents**
- 13. What is a “tax”?**
- 14. Who are “taxpayers”**
- 15. Nature of I.R.C. Subtitle A**
- 16. “Taxable income”**
- 17. Federal Filing Status for Individuals**
- 18. IRS Form 1040 is the WRONG FORM!**
- 19. How “nonresidents” become “residents”**
- 20. Information Returns**
- 21. The “Tax Loop”**
- 22. Correcting False Information Returns**
- 23. Don’t commit Fraud on Government Forms**

Course Outline

- 24. Enforcement Authority**
- 25. Jurisdiction of Federal courts Over Federal Income Taxes**
- 26. Tax Crimes**
- 27. State Income Taxes**
- 28. State v. Federal Income taxes**
- 29. Example: California**
- 30. Flawed Tax Arguments**
- 31. Filing Tax Returns**
- 32. Digging Deeper**
- 33. Getting connected: resources**
- 34. Sovereignty Education and Defense Ministry**
- 35. SEDM Educational Curricula**
- 36. Conclusions**
- 37. Questions?**

IMPORTANT PRELIMINARY NOTE

- **We do NOT challenge the Constitutionality of any part of the Internal Revenue Code. It is completely Constitutional and lawful.**
- **What is unconstitutional is the way the I.R.C. it is represented to the American public, administered, and enforced by the IRS.**
- **Most of the illegal administration and enforcement of the I.R.C. results from omission, not commission. Our enemy is not the government, the IRS, or even taxes, but instead is:**

IMPORTANT PRELIMINARY NOTE

1. Legal ignorance on the part of Americans that allows public servants to abuse their authority and violate the law.
2. The abuse of [presumption](#) to injure the rights of sovereign Americans, in violation of due process of law and God's law found in [Numbers 15:30](#) (NKJV). Much of this presumption is compelled by the government by willfully dumbing-down the average Americans about legal subjects in the public (government) schools. This makes the legal profession into essentially a "priesthood" and a pagan "religion" that the average American blindly worships and obeys, without ever questioning authority. It is a supreme injustice to proceed against a person without every conclusion being based ONLY on fact and not presumption, opinion, or belief. See the following for a detailed article on this scam and sin:
Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction, Form #05.017; <http://sedm.org/Forms/FormIndex.htm>
3. Public servants deceiving the public by portraying "Private Law" as "Public Law". See the following for an article on this subject:
3.1 *What is "law"?*, Form #05.048
3.2 *Requirement For Consent*, Form #05.003;
<http://sedm.org/Forms/FormIndex.htm>
4. Public servants refusing to acknowledge the requirement for consent in all human interactions. See the following for an extensive article on this subject:
Requirement For Consent, Form #05.003;
<http://sedm.org/Forms/FormIndex.htm>
5. Willful omissions from the IRS website and publications that keep the public from hearing the whole truth. The problem is not what these sources say, but what they DON'T say. The [Great IRS Hoax, Form #11.302](#) contains over 2,000 pages of facts that neither the IRS nor any one in government is willing to reveal to you because it would destroy the gravy train of plunder that pays their bloated salaries and fat retirement in violation of [18 U.S.C. §208](#).

IMPORTANT PRELIMINARY NOTE

6. The use of "words of art" to deceive the people in both government publications and the law itself. See the following for examples:

<http://famguardian.org/TaxFreedom/FormsInstr-Cites.htm>

7. The lack of "equal protection of the law" in courts of justice relating to the statements and actions of public servants, whereby the IRS doesn't have to assume responsibility for its statements and actions, and yet persons who fill out tax forms can be thrown in jail and prosecuted for fraud if they emulate the IRS by being just as careless. This also includes "selective enforcement", where the DOJ positively refuses to prosecute submitters of [false information returns](#) but spends a disproportionate share of its resources prosecuting false income tax returns. They do this because they are more interested in STEALING your money than in justice. See:

7.1 *Federal Courts and IRS' Own IRM Say NOT RESPONSIBLE for its actions or its words or following its own internal procedures*

<http://famguardian.org/Subjects/Taxes/Articles/IRSNotResponsible.htm>

7.2 *Requirement for Equal Protection and Equal Treatment*, Form #05.033

<http://sedm.org/Forms/FormIndex.htm>

7.3 *Government Establishment of Religion*, Form #05.038 -how government establishes itself as a pagan deity and a religion by using franchises to systematically destroy the separation of powers and the requirement for equal protection

IMPORTANT PRELIMINARY NOTE

8. Abuses of franchises that undermine the protection of private rights by the government and the courts:

- 8.1 Offering or enforcing NATIONAL franchises within states of the Union or outside of the federal territory and federal domiciliaries that they are limited to. This results in a destruction of the [separation of powers](#).
- 8.2 Enforcing franchises, such as a " [trade or business](#)" without requiring explicit written consent in some form, such as the issuance and voluntary signing of an application for a license. [Click here](#) for details.
- 8.3. [Forcing non-franchisees into franchise courts against their consent](#). This is a violation of the Fifth Amendment takings clause and the prohibition against eminent domain.
- 8.4 Refusing to satisfy the burden of proof upon government opponents in a franchise court that the owner of the property subject to the dispute VOLUNTARILY donated it to a public use, public purpose, and public office. In other words, that all property is PRIVATE until it is proven on the record with evidence that the owner EXPRESSLY AND VOLUNTARILY DONATED it to PUBLIC use and thereby made it subject to government jurisdiction.
- 8.5 Abusing sovereign immunity to protect franchise administrators such as the IRS from [illegal enforcement of the franchise against non-franchisees](#). All franchises are PRIVATE rather than GOVERNMENTAL in nature and governments who offer them drop down to the level of ordinary persons when they offer them.
- 8.6 Refusing to provide a way to quit franchises or hiding forms for doing so.
- 8.7 PRESUMING or pretending like there is no such thing as a non-franchisee or non-taxpayer or that EVERYONE is a statutory "taxpayer". This compels people to contract with the government and interferes with their First Amendment right to legally and politically associate. See [Your Exclusive Right to Declare or Establish Your Civil Status, Form #13.008](#).
- 8.8 Attorney licensing, which destroys the integrity of the legal profession in its role as a check and balance when the government or especially the judiciary becomes corrupt as it is now.
- 8.9 Abuse of the federal income tax system, which is a franchise and an excise, to bribe states of the Union to give up their sovereignty, act like federal "States" and territories, and accept what amounts to federal bribes to disrespect the rights or those under their care and protection. [Click here](#) for details. See the following for details on the above abuses: [Government Instituted Slavery Using Franchises, Form #05.030](#).

IMPORTANT PRELIMINARY NOTE

9. Efforts to destroy the separation of powers that is the main protection for our liberties. This results in abuses of the Court system for political, rather than legal, purposes (politicization of the courts). All of the federal courts we have now are Article IV, territorial courts that are part of the Executive, rather than Judicial Branch of the government. As such, there is no separation of powers and nothing but tyranny can result. See the following for proof of this destruction:

9.1 *Government Conspiracy to Destroy the Separation of Powers*, Form #05.023 (OFFSITE LINK)- shows how lying, thieving public servants have systematically destroyed the separation of powers since the founding of this country

<http://sedm.org/Forms/MemLaw/SeparationOfPowers.pdf>

9.2 *What Happened to Justice?*, Form #06.012 (OFFSITE LINK)-book which proves that we have no Judicial Branch within the federal government, and that all the existing federal courts are acting in an Article IV territorial capacity as part of the Executive, rather than Judicial, branch of the government.

<http://sedm.org/ItemInfo/Ebooks/WhatHappJustice/WhatHappJustice.htm>

9.3 *How Scoundrels Corrupted Our Republican Form of Government*, Family Guardian Fellowship- brief overview of how the separation of powers has been systematically destroyed

<http://famguardian.org/Subjects/Taxes/Evidence/HowScCorruptOurRepubGovt.htm>

10. The abuse of the government's power to tax in order to transfer wealth between private individuals, which makes the government into a thief and a Robinhood. This includes:

10.1 Enforcing the tax codes (franchises) against other than "public officers" of the government. See:

Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes, Form #05.008

<http://sedm.org/Forms/FormIndex.htm>

10.2 Offering government "benefits" of any kind to anyone who does not ALREADY work for the government. See:

The Government "Benefits" Scam, Form #05.040

<http://sedm.org/Forms/FormIndex.htm>

IMPORTANT PRELIMINARY NOTE

11. Corruption of our monetary system that allows the government to:

- 11.1 Counterfeit while denying to all others the right, thus creating an unconstitutional "Title of Nobility" for itself and making itself into a pagan deity, and denying the equal protection to all that is the foundation of the Constitution.**
- 11.2 STEAL from the American people by diluting the value of money already into circulation.**
- 11.3 Exercise undue control over banks and financial institutions that causes them to effectively become federal employment recruiters for the federal government by compelling use of government identifying numbers for those pursuing accounts or loans.**

See the following for details on the above SCAMS:

***The Money Scam*, Form #05.041**

<http://sedm.org/Forms/FormIndex.htm>

IMPORTANT PRELIMINARY NOTE

12. Creating, perpetuating, condoning, or in any way protecting conflicts of financial interest within the government that cause the self-interest to undermine the requirements of the law, EQUALITY, or the protection of exclusively PRIVATE rights by:

- 12.1 Making judges "taxpayers".
- 12.2 Making jurists or voters into "benefit" recipients, franchisees, and/or public officers.
- 12.3 Allowing judges to act in a POLITICAL mode within any franchise court in the Executive rather than Judicial Branch. This also violates the separation of powers.
- 12.4 Turning police officers into revenue collectors who enforce malum-prohibitum offenses that result in revenue to the state.
- 12.5 Allowing any judicial officer or witness to receive any kind of financial reward for essentially compelling someone to assume any civil status under any civil franchise, including the income tax.
- 12.6 Allowing judges to act BOTH as an Article III judge AND an Article IV judge at the same time.
- 12.7 Allowing PRIVATE citizens to appear before a franchise judge with a financial conflict of interest.
- 12.8 Making ordinary citizens ALSO into public officers in any context OTHER than as a jurist or voter. This causes income taxes to become poll taxes and disenfranchises all those who insist on remaining private. [Click here](#) for details.
- 12.9 Constitutional states surrendering their sovereignty and agreeing to act essentially as federal territories or federal corporations in exchange for participation in national franchises such as Social Security, Medicare, etc.
- 12.10 [Governments going into debt and thereby becoming financial slaves to banks or bank cartels](#). This includes a debt based fiat currency system such as the federal reserve.

IMPORTANT PRELIMINARY NOTE

13. Active interference with [common law remedies](#) for the protection of PRIVATE rights from abuse by government actors. Governments are established exclusively to protect PRIVATE rights and PRIVATE property. Any attempt to undermine such rights without the express written consent of the owner in each case is not only NOT a classical "government" function, but is an ANTI-government function that amounts to a MAFIA "protection racket". This includes but is not limited to:
- 13.1 Refusing to recognize or protect PRIVATE property or PRIVATE rights, the essence of which is the RIGHT TO EXCLUDE anyone and everyone from using or benefitting from the use of the property. See [Separation Between Public and Private, Form #12.025](#).
 - 13.2 PRESUMING that "a government OF THE PEOPLE, BY THE PEOPLE, and FOR THE PEOPLE" is a government in which everyone is a [public officer](#).
 - 13.3 Refusing to recognize or allow constitutional remedies and instead substituting STATUTORY remedies available only to [public officers](#).
 - 13.4 Interfering with introduction of evidence that the court or forum is ONLY allowed to hear disputes involving [public officers in the government](#).
 - 13.5 [PRESUMING or ASSUMING](#) that the ownership of the property subject to dispute is QUALIFIED rather than ABSOLUTE and that the party the ownership is shared with is the government.
 - 13.6 Allowing government "benefit" recipients to be decision makers in cases involving PRIVATE rights. This is a denial of a republican form of government, which is founded on impartial decision makers. See [Sinking Fund Cases, 99 U.S. 700 \(1878\)](#).
 - 13.7 Interfering with or sanctioning litigants who insist on discussing the laws that have been violated in the courtroom or prohibiting jurists from reading the laws in question or accessing the law library in the courthouse while serving as jurists. This transforms a society of law into a society of men and allows the judge to substitute HIS will in place of what the law expressly requires.
 - 13.8 Illegally and unconstitutionally invoking the Declaratory Judgments Act or the Anti-Injunction Act as an excuse to NOT protect PRIVATE rights from government interference in the case of EXCLUSIVELY PRIVATE [people who are NOT statutory "taxpayers"](#). See [Flawed Tax Arguments to Avoid, Form #08.004, Sections 8.11 and 8.12](#).
 - 13.9 Interfering with ways to change or correct your citizenship or statutory status in government records. That "status" is the "res" to which all franchise rights attach, usually ILLEGALLY.
14. Efforts to define the word "[justice](#)" in the context of secular law to mean anything OTHER than the right to be left alone and the obligation to provide remedy for demonstrated injury AFTER the injury occurs. See: [What is "Justice"?, Form #05.050](#). All such efforts result in INJUSTICE and promote violations of the constitution.

What Is a “Tax”?

- Taxes can only be spent on GOVERNMENT operations, not on private people:

To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms.

Nor is it taxation. ‘A tax,’ says Webster’s Dictionary, ‘is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.’ ‘Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.’ Cooley, Const. Lim., 479.

Coulter, J., in Northern Liberties v. St. John’s Church, 13 Pa.St. 104 says, very forcibly, ‘I think the common mind has everywhere taken in the understanding that taxes are a public imposition, levied by authority of the government for the purposes of carrying on the government in all its machinery and operations—that they are imposed for a public purpose.’ See, also Pray v. Northern Liberties, 31 Pa.St. 69; Matter of Mayor of N.Y., 11 Johns., 77; Camden v. Allen, 2 Dutch., 398; Sharpless v. Mayor, supra; Hanson v. Vernon, 27 Ia., 47; Whiting v. Fond du Lac, supra.”

[Loan Association v. Topeka, 20 Wall. 655 (1874)]

SOURCE: https://scholar.google.com/scholar_case?case=11723983271266386879]

What Is a “Tax”?

- “Taxes” become EXTORTION and NOT a “taxes” when they meet the following criteria:

“The power of taxation, indispensable to the existence of every civilized government, is exercised upon the assumption of an equivalent rendered to the taxpayer in the protection of his person and property, in adding to the value of such property, or in the creation and maintenance of public conveniences in which he shares — such, for instance, as roads, bridges, sidewalks, pavements, and schools for the education of his children. If the taxing power be in no position to render these services, or otherwise to benefit the person or property taxed, and such property be wholly within the taxing power of another state, to which it may be said to owe an allegiance, and to which it looks for protection, the taxation of such property within the domicile of the owner partakes rather of the nature of an extortion than a tax, and has been repeatedly held by this Court to be beyond the power of the legislature, and a taking of property without due process of law. Railroad Company v. Jackson, 7 Wall. 262 ; State Tax on Foreign-Held Bonds, 15 Wall. 300; Tappan v. Merchants’ National Bank, 19 Wall. 490, 499 ; Delaware &c. R. Co. v. Pennsylvania, 198 U.S. 341, 358 . In Chicago &c. R. Co. v. Chicago, 166 U.S. 226, it was held, after full consideration, that the taking of private property [199 U.S. 203] without compensation was a denial of due process within the Fourteenth Amendment. See also Davidson v. New Orleans, 96 U.S. 97, 102; Missouri Pacific Railway v. Nebraska, 164 U.S. 403, 417; Mt. Hope Cemetery v. Boston, 158 Mass. 509, 519.”

[Union Refrigerator Transit Company v. Kentucky, 199 U.S. 194 (1905)]

Source: https://scholar.google.com/scholar_case?case=14163786757633929654

Summary of Criteria for measuring whether it is a “tax” as legally defined

- 1. Cannot be paid to PRIVATE people.**
- 2. Must support ONLY the government.**
- 3. Must satisfy ALL of the following criteria:**
 - 1. Proportional to the protection of his/her person and property ...OR**
 - 2. Adds to the value of such property...OR**
 - 3. Used in the creation and maintenance of public conveniences in which he shares — such, for instance, as roads, bridges, sidewalks, pavements, and schools for the education of his children**

Summary of Criteria for measuring whether it is NOT a “tax” as legally defined

Is NOT a “tax” if:

- 1. The taxing power be in no position to render the above services, or**
- 2. Otherwise to benefit the person or property taxed AND**
- 3. Such property be wholly within the taxing power of another state, to which it may be said to owe an allegiance, and to which it looks for protection**

THEN the taxation of such property within the domicil of the owner partakes rather of the nature of an extortion than a tax, and has been repeatedly held by this Court to be beyond the power of the legislature, and a taking of property without due process of law. Railroad Company v. Jackson, 7 Wall. 262 ; State Tax on Foreign-Held Bonds, 15 Wall. 300; Tappan v. Merchants’ National Bank, 19 Wall. 490, 499 ; Delaware &c. R. Co. v. Pennsylvania, 198 U.S. 341, 358 . In Chicago &c. R. Co. v. Chicago, 166 U.S. 226, it was held, after full consideration, that the taking of private property [199 U.S. 203] without compensation was a denial of due process within the Fourteenth Amendment. See also Davidson v. New Orleans, 96 U.S. 97, 102; Missouri Pacific Railway v. Nebraska, 164 U.S. 403, 417; Mt. Hope Cemetery v. Boston, 158 Mass. 509, 519.

***To Lawfully Avoid paying “taxes” as just defined
then, you MUST BE ABLE TO PROVE ONE or more of the following***

- 1. The money they collect is paid to PRIVATE people. . .
OR**
- 2. The money collected is paid OTHER than DIRECTLY
TO to people working in the government. . . OR**
- 3. The money supports public conveniences (“benefits”)
that you DO NOT partake of or are NOT eligible to
partake of. OR**
- 4. The government the money supports cannot lawfully
render services or “benefits” to you as the payer of the
“taxes” that support the benefit OR**
- 5. The property protected is wholly within the taxing
power of another government or protector that you
owe allegiance to AND look to protection for.**

Conditions which satisfy the Burden of Proving it is NOT a “tax”

Next, we must identify EXACTLY HOW you can satisfy the conditions required to prove that the money they want to collect is not a “tax” and therefore, that you CANNOT LAWFULLY BE a statutory “taxpayer”:

1. You have a domicile outside of their jurisdiction.
Why Domicile and Becoming a “Taxpayer” Require Your Consent, Form #05.002; <https://sedm.org/Forms/FormIndex.htm>.
2. You do not have a statutory civil “status” to which the [obligation to pay \(Form #12.040\)](#) the tax attaches, such as “person”, “individual”, or “taxpayer”. You CANNOT, by the way, have such a civil status WITHOUT a predicate civil domicile in the place the statute applies. See:
Your Exclusive Right to Declare or Establish Your Civil Status, Form #13.008; <https://sedm.org/Forms/FormIndex.htm>
3. You do not consent to RECEIVE any government “benefits” or “services” and have notified them of the same. See:
Requirement for Consent, Form #05.003;
<https://sedm.org/Forms/FormIndex.htm>
4. You can prove with evidence that EVEN IF you consented to the “benefit”, they aren’t legally ALLOWED to offer the “benefit” in the geographical place you are situated AND domiciled. See:
Why You Aren’t Eligible for Social Security, Form #06.002
<https://sedm.org/Forms/FormIndex.htm>

Conditions which satisfy the Burden of Proving it is NOT a “tax”

- 5. You can prove that you are outside the applicability of the tax to the use, custody, or control of granted government property. See:**

Why the Federal Income Tax is a Privilege Tax Upon Government Property, Form #04.404** (Member Subscriptions)

<https://sedm.org/Forms/FormIndex.htm>

Who are “individuals”?

- This course is about federal and state income taxation of “[individuals](#)” as legally defined and not commonly understood
- The I.R.C. deliberately does NOT define the term “[individual](#)”
- “[Individual](#)” is defined at 26 C.F.R. §1.1441-1(c)(3) as an “[alien individual](#)”.
 - “citizens” are NOT included in the legal definition of “[individual](#)”
 - All “taxpayers” under the I.R.C. Subtitle A are “alien individuals”. [26 U.S.C. §911](#), for instance, describes STATUTORY “U.S. citizens” who are “alien individuals” under a tax treaty with a foreign country.
 - Those who are “nonresidents” but NOT “individuals” have no liability to file a return or pay a tax
 - This is the SAME “[individual](#)” mentioned in the upper left corner of the IRS Form 1040 in the phrase “U.S. [Individual](#) Income Tax Return”
- [5 U.S.C. §552a\(a\)\(2\)](#) clarifies that this “[individual](#)”:
 - Is a officer or employee of the national government. That section of the code is in Title 5 and regulates public conduct, not private conduct, meaning activities of public officers within the government. The ability to regulate private conduct, according to the U.S. Supreme Court is “repugnant to the constitution”.
 - Is domiciled in the “[United States](#)”, which includes federal [territories](#) (called “States” in federal law) and possessions and nowhere is defined to include any state of the Union. What the “citizens” and “residents” mentioned in this statute have in common is a domicile on federal [territory](#) and they collectively are called “U.S. persons” in [26 U.S.C. §7701\(a\)\(30\)](#).

Who are “individuals”? (cont.)

- [5 U.S.C. §552a](#)(a) (13) and [5 U.S.C. §2105](#) further clarify that this “[individual](#)” is a officer or employee of the national government:

[TITLE 5](#) > [PART III](#) > [Subpart A](#) > [CHAPTER 21](#) > § 2105
[§ 2105. Employee](#)

- (a) For the purpose of this title, “employee”, except as otherwise provided by this section or when specifically modified, **means an officer and an individual** who is—
 - (1) appointed in the civil service by one of the following acting in an official capacity—
 - (A) the President;
 - (B) a Member or Members of Congress, or the Congress;
 - (C) a member of a uniformed service;
 - (D) an individual who is an employee under this section;
 - (E) the head of a Government controlled corporation; or
 - (F) an adjutant general designated by the Secretary concerned under section [709 \(c\)](#) of title [32](#);
 - (2) engaged in the performance of a Federal function under authority of law or an Executive act; and
 - (3) subject to the supervision of an individual named by paragraph (1) of this subsection while engaged in the performance of the duties of his position.

- [26 U.S.C. §6331](#) further defines who this “[individual](#)” is, by describing who the Internal Revenue Code may lawfully be enforced against:

Who are “individuals”? (cont.)

[TITLE 26](#) > [Subtitle F](#) > [CHAPTER 64](#) > [Subchapter D](#) > [PART II](#) > § 6331

[§ 6331. Levy and distraint](#)

(a) Authority of Secretary

If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section [6334](#)) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.

Why are “persons”, “citizens”, and “residents” actually “public officers”

- The tax is an excise tax upon a “trade or business”, which is defined as “the functions of a public office” in [26 U.S.C. §7701\(a\)\(26\)](#). See:
The “Trade or Business” Scam, Form #05.001
<http://sedm.org/Forms/FormIndex.htm>
- [4 U.S.C. §72](#) mandates that:
“All offices attached to the seat of government shall be exercised in the District of Columbia, and not elsewhere, except as otherwise expressly provided by law.”
- “[Public office](#)” is a “[franchise](#)” and all franchises make you part of the government and place your [domicile](#) on federal [territory](#) while on official duty, regardless of where you physically are, pursuant to [Federal Rule of Civil Procedure 17\(b\)](#). See sections 7 and 8 of:
Government Instituted Slavery Using Franchises, Form #05.030
<http://sedm.org/Forms/FormIndex.htm>
- The U.S. Supreme Court has held that:
 - The ability to regulate “private conduct” is “repugnant to the constitution. *City of Boerne v. Flores, Archbishop of San Antonio*, [521 U.S. 507](#) (1997) , *Edmonson v. Leesville Concrete Company*, [500 U.S. 614](#) (1991)
 - Constitutional rights do not apply to “[public officers](#)” but they do protect private conduct. *Rutan v. Republican Party of Illinois*, [497 U.S. 62](#) (1990).

Why are “persons”, “citizens”, and “residents” actually “public officers”

- The opposite of “private” is “public”.
- You can only tax “[persons](#)” who don’t have rights, or else you would be stealing from them.
 - The only place in the country where Constitutional rights do not exist and EVERYTHING is a privilege is federal [territory](#). *Downes v. Bidwell*, [182 U.S. 244](#); 21 S.Ct. 770 (1901).
 - The only type of “[persons](#)” who don’t have rights are anything other than biological men and women, such as corporations.
 - The federal government is a “corporation” or what the Supreme Court calls a “body corporate” as defined in [28 U.S.C. §3002](#)(15)(A)
- Nearly all statutes passed by the government regulate only “public conduct” and not “private conduct”. See:
Why Statutory Civil Law is Law for Government and Not Private Persons, Form #05.037
<http://sedm.org/Forms/FormIndex.htm>
- The I.R.C. is “statutory law” as described above. Subtitles A and C describe a “public office” franchise.
- Federal government has no enforcement authority inside of a state of the Union except against its own property, office, or foreign affairs. See:
 - *IRS Due Process Meeting Handout*, Form #03.008
<https://sedm.org/Forms/03-Discovery/IRSDueProcMtgHandout.pdf>
 - *Challenging Jurisdiction Worksheet*, Form #09.082
<https://sedm.org/Forms/09-Procs/ChalJurWorksheet.pdf>
 - *Federal Enforcement Authority in States of the Union*, Form #05.032** (Member Subscriptions)
<http://sedm.org/Forms/FormIndex.htm>

The Constitution

- Written by “We the People” as individuals
- A sacred contract between the States of the Union and their servant government
- Purpose is to protect the people from usurpations by their government by limiting and defining government power
- Delegates certain powers from the People to their government and specifically reserves those powers to the People that are not delegated in writing
- Written in very simple language so that it can be read and understood by the general public
- All federal law is written based on authority derived directly from the Constitution
- May not be disobeyed or disregarded by public “servants”
 - Officers of the government must take an “oath” to support and defend it. See: Constitution of the United States, Art. VI, Clause 3, Art. II, Section 1, Clause 8, [28 U.S.C. §453](#), and [5 U.S.C. §3331](#).
 - Disobedience of the Constitution amounts to perjury of the oath and Treason, which is punishable under Art. III, Section 3, Clause 1, and [18 U.S.C. §2381](#)



Constitution (cont.)

- Rights are defined but not “created” in the “Bill of Rights”, which are the first ten Amendments to the [Constitution of the United States](#)
- When citing sections of the Constitution, the convention is to cite the following in the order shown:
 - Article
 - Section
 - Clause
- For instance, [Article 1](#), Section 8, Clause 1 is the clause that grants Congress the power to tax within the [Constitution of the United States](#):

[Article 1, Section 8, Clause 1](#)

The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States; but all Duties, Imposts and Excises shall be uniform throughout the United States;

- Read the annotated Constitution for yourself at:
<http://www.findlaw.com/casecode/constitution/>

Statutes

- **Purpose:** Implement the powers delegated to Congress by the Constitution
- **Two classes of statutes:**
 - **Statutes at Large (S.A.L.)**
 - » Published for each session of Congress
 - » Published in Volumes
 - » Only last few years available online. Further back you need the online version of the SAL, available from Potomac Publishing.
 - » Example cite the Statutes At Large:
Revenue Act of 1939, 53 Stat. 1
 -
 - Where:**
53=Volume 53
1=page 1
 - **U.S. Code (U.S.C.)**
 - » Divided by Title/subject
 - » 50 Titles in the U.S. Code currently
 - » Not all titles are enacted into positive law that is binding
 - » Titles which are not enacted into positive law are considered “prima facie evidence of law”
 - » The Internal Revenue Code, Title 26, is not positive law, but only prima facie evidence of law
 - » Example cite from Internal Revenue Code:
[26 U.S.C. §861](#)
 -
 - Where:**
26=Title 26 of the U.S. Code
861=Section 861

Regulations

- Often called “rules” in the legal profession
- Purpose:
 - “Implement” or “administer” statutes: Statutes are the legal “skeleton” and the regulations put “meat” on the skeleton
 - Assign a specific agency to take responsibility for investigating and enforcing specific statutes
 - Inform public of how the statutes are interpreted and applied to them when published in the Federal Register
- Three types of regulations:
 - Legislative:
 - » Have force and effect of law
 - » Written by the Secretary of the Treasury
 - » Example: Regulations under [26 U.S.C. §7872](#)(h)(1)
 - Interpretive:
 - » Have force and effect of law
 - » Written by the Secretary of the Treasury in satisfaction of [26 U.S.C. §7805](#)(a).
 - » Found in 26 C.F.R. Parts 1, 31, and 301
 - Procedural:
 - » Do not have the force and effect of law
 - » Written by the IRS and found in [26 C.F.R. Part 601](#).
 - » Implement Subtitle F of the Internal Revenue Code entitled “Procedures and Administration”, within sections [6001](#) through [7873](#)
 - » Contain procedures to be followed by IRS in executing a statute
 - » Not even the IRS is bound to follow “procedural” regulations, except in cases where not doing so would adversely affect the rights of the public. See *Morton v. Ruiz*, [415 U.S. 199](#) (1974)

Regulations (cont.)

- How do we tell what type of regulation it is?

When regulations are issued, they include a paragraph in the transmittal stating the authority under which they are issued

- Regulations are found in the [Code of Federal Regulations \(C.F.R.\)](#)

- Organized by Title
- Published in accordance with [Title 1 of the Code of Federal Regulations](#)

- Publication in [Federal Register](#):

- Purpose is to give general public “reasonable notice” of laws which will be enforced against them. [44 U.S.C. §1508](#). You can’t enforce a law until you give those who are the target of enforcement “notice”. See:

Requirement for Reasonable Notice, Form #05.022

<http://sedm.org/Forms/FormIndex.htm>

- Bottom of regulation or notes for regulation indicates if and where published in the [Federal Register](#)
- When published in the Federal Register, become effective against the general public
- Published in accordance with the [Administrative Procedures Act \(APA\)](#), which is found in [5 U.S.C. §§551](#) to 559
- Regulations need not be published in the Federal Register if they will only affect federal employees, federal agencies, or federal instrumentalities. See [44 U.S.C. 1505\(a\)](#) and [5 U.S.C. §553\(a\)](#).

Regulations (cont.)

- **Important things to remember about regulations:**
 - Only “legislative” and “interpretive” regulations are binding on the general public. “procedural” regulations are not.
 - For tax purposes, the Treasury writes all “legislative” and “interpretive” regulations
 - Regulations are not applicable to the public in general if not published in the Federal Register, even if they are “legislative” or “interpretive” regulations
 - Without an implementing regulation published in the Federal Register, a statute is:
 - » Unenforceable against the general public domiciled in states of the Union
 - » Enforceable only against federal entities, instrumentalities, employees, officers, contractors, and benefit recipients. See [44 U.S.C. 1505\(a\)](#) and [5 U.S.C. §553\(a\)](#)
- **In many cases, the implementing regulation for a specific law looks exactly the same as the portion of the statute that it implements. For such a case, the regulation adds nothing to the statute but is still necessary under the [APA](#) in order to enforce the statute against the public at large.**
- **Federal agencies may NOT use the regulations written by other agencies. See [1 C.F.R. §21.21\(c\)](#) .**

Federal Enforcement Authority

- The effect of failure to publish regulations in the federal register is as follows:

26 C.F.R. §601.702 *Publication and public inspection*

(a)(2)(ii) *Effect of failure to publish.*

Except to the extent that a person has actual and timely notice of the terms of any matter referred to in subparagraph (1) of this paragraph which is required to be published in the Federal Register, such person is not required in any manner to resort to, or be adversely affected by, such matter if it is not so published or is not incorporated by reference therein pursuant to subdivision (i) of this subparagraph. Thus, for example, any such matter which imposes an obligation and which is not so published or incorporated by reference will not adversely change or affect a person's rights.

- The above is also repeated at 5 U.S.C. §552(a)(1)

5 U.S.C. §552 *Public information; agency rules, opinions, orders, records, and proceedings*

Except to the extent that a person has actual and timely notice of the terms thereof, a person may not in any manner be required to resort to, or be adversely affected by, a matter required to be published in the Federal Register and not so published. For the purpose of this paragraph, matter reasonably available to the class of persons affected thereby is deemed published in the Federal Register when incorporated by reference therein with the approval of the Director of the Federal Register.

Federal Enforcement Authority

- **Groups specifically exempted from Federal Register publication requirements include ONLY the following, all of which are in the Executive Branch of the government:**
 1. **A military or foreign affairs function of the United States. [5 U.S.C. §553\(a\)\(1\)](#)**
 2. **A matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts. [5 U.S.C. §553\(a\)\(2\)](#).**
 3. **Federal agencies or persons in their capacity as officers, agents, or employees thereof. [44 U.S.C. §1505\(a\)\(1\)](#).**
- **Reason for the above three exemptions from Federal Register Publication requirement:**
 - **The Executive Branch is the servant of Congress, who is the Master**
 - **Congress commands the Executive Branch through statutes**
 - **The servant cannot be greater than the Master**
 - **If enforcement against Executive Branch Employees required implementing regulations BEFORE it was permissible, then the Executive Branch could use its authority to write implementing regulations to undermine the enforcement of the law by refusing to write implementing regulations**

Federal Enforcement Authority

- To meet the burden of proof that they have jurisdiction to enforce a specific statute, the federal government **MUST** produce evidence of one of the following:
 1. Proof of publication of enforcement regulations in the Federal Register for all statutes sought to be enforced. . . .OR
 2. Proof that the target of the enforcement action is a member of one of the three groups specifically exempted from the Federal Register Publication Requirements as indicated above.
- The above requirement is an **EXCELLENT** method for challenging the jurisdiction of any federal enforcement action in a federal court
- Most freedom researchers **FORGET** item 2 above and **LOSE** in court when they challenge federal enforcement jurisdiction.
BE CAREFUL!
- Federal enforcement authority is exhaustively explained further in:
Federal Enforcement Authority Within States of the Union, Form #05.032
<http://sedm.org/Forms/FormIndex.htm>
- For an example of how to stop an illegal IRS collection in a state of the Union, see:
IRS Due Process Meeting Handout, Form #03.008
<http://sedm.org/Forms/FormIndex.htm>

Words of Art in the Law

- **Most corruption and injustice within the legal field is done using sneaky definitions to deceive the people:**
 - Called “Words of Art”
 - Read the definitions before you read the rest of the law and this will keep you from being deceived
 - The definitions in the Internal Revenue Code are at the END, not the BEGINNING of the code, because government quite frankly doesn’t want you paying attention to them!
 - Trust your own judgment when you read the law and don’t rely on an expert. Supreme Court says the laws are supposed to be understandable by the common man
- **After government obfuscates the law using tricky definitions, they will try to convince you that you can’t trust your own judgment when reading the law. This:**
 - Forces you to rely on a corrupt judge or lawyer
 - Puts your liberty in the hands of someone else instead of you
 - Makes the judge and lawyer into “witch doctors” and “priests” and government into a “religion”, because now you have to trust them instead of your own understanding

Definitions: *IMPORTANT!*

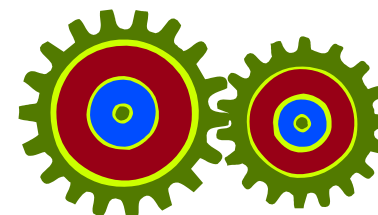
- If a word is defined in the law, then you can safely conclude that you cannot rely on the common definition or the definition found in the dictionary, or it wouldn't have been defined in the law to begin with!
 - *"When a statute includes an explicit definition, we must follow that definition, even if it varies from that term's ordinary meaning. Meese v. Keene, 481 U.S. 465, 484-485 (1987) ("It is axiomatic that the statutory definition of the term excludes unstated meanings of that term"); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 ("As a rule, 'a definition which declares what a term 'means' . . . excludes any meaning that is not stated"); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read "as a whole," post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General's restriction -- "the child up to the head." Its words, "substantial portion," indicate the contrary." [Stenberg v. Carhart, 530 U.S. 914 (2000)]*
 - *"It is axiomatic that the statutory definition of the term excludes unstated meanings of that term. Colautti v. Franklin, 439 U.S. 379, 392, and n. 10 (1979). Congress' use of the term "propaganda" in this statute, as indeed in other legislation, has no pejorative connotation. As judges, it is our duty to construe legislation as it is written, not as it might be read by a layman, or as it might be understood by someone who has not even read it." [Meese v. Keene, 481 U.S. 465, 484 (1987)]*

Definitions

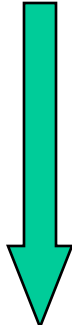
Law	Federal constitution	Federal statutes	Federal regulations	State constitutions	State statutes	State regulations
Author	Union States/ "We The People"	Federal Government		"We The People"	State Government	
"state"	Foreign country	Union state or foreign country	Union state or foreign country	Other Union state or federal government	Other Union state or federal government	Other Union state or federal government
"State"	Union state	Federal state	Federal state	Union state	Union state	Union state
"in this State" or "in the State" ^[1]	NA	NA	NA	NA	Federal enclave within state	Federal enclave within state
"State" ^[2] (<u>State Revenue and taxation</u>)	NA	NA	NA	NA	Federal enclave within state	Federal enclave within state
"several States"	Union states collectively ^[3]	Federal "States" collectively	Federal "States" collectively	Federal "States" collectively	Federal "States" collectively	Federal "States" collectively
"United States"	States of the Union (collectively)	Federal United States**	Federal United States**	United States* the country	Federal United States**	Federal United States**

How Our Laws Are Made

- It is important to understand how our laws are made
- The best resource for understanding this area is the pamphlet “How Our Laws Are Made”, available on the Family Guardian website at:
<http://famguardian.org/PublishedAuthors/Govt/USSenate/SenateDoc105-14HowLawsMade.pdf>
- Procedure to pass and publish a new law:
 1. Congress passes a statute or public law based on authority delegated through the Constitution. It is published in the [Statutes At Large](#)
 2. The Law Revision Counsel of the House of Representatives (in the Legislative branch) then “codifies” the statute within the [U.S. Code](#), organized by subject matter
 3. An agency which is charged with executing the codified law then writes regulations to implement the codified statute. These regulations are then published in the [Code of Federal Regulations \(C.F.R.\)](#)
 4. If a statute is also intended to affect the general public in states of the Union or territories of the United States, then it must be enacted into positive law and have implementing regulations written for it must ALSO be published in the [Federal Register](#). Without publication of implementing regulations in the Federal Register, a statute may ONLY affect federal employees, federal agencies, benefit recipients, and the military. See [44 U.S.C. §1505\(a\)](#) and [5 U.S.C. §553\(a\)](#).
 5. If a violation of the law occurs, the courts must apply both the statute and the regulation that implements it to the specific controversy, and thereby determine the rights and status of the parties. Absent an implementing regulation, they may not enforce a law against an offender.



Precedence/Hierarchy of Law

- There is a precedence of law within the legal field. Some laws take precedence over others
- It is important to understand this precedence when there is a conflict, for instance, between a regulation and a statute. Items with higher precedence are used to resolve the conflicts
- The precedence is as follows (lowest number has highest priority):
 1. [Constitution of the United States](#)
 2. Statutes At Large (S.A.L.)
 3. [U.S. Code](#)
 4. [Code of Federal Regulations](#)
 5. [Supreme Court Rulings](#)
 6. [Circuit Court Rulings](#)
 7. [District Court Rulings](#)
- **Application:**
 - When a regulation is broader than the statute it implements, then it is invalid and unenforceable
 - When a District Court ruling conflicts with a precedent established by a Circuit Court or the Supreme Court, then the higher precedence rulings prevail
 - When the Statutes At Large contain a law that is in conflict with the Constitution, then the Constitution prevails and the law is invalid and unenforceable
- **Further information available at:**
<http://famguardian.org/TaxFreedom/LegalRef/PrecOfLaws.htm>

Force and Effect of Law

- All of the items discussed in the preceding slide entitled “Precedence of Laws” have the “force and effect of law”
- Certain government statements, publications, and advice DO NOT have the “force and effect of law”
- You should not rely upon any legal authority as a basis for good-faith belief or compliance that does not have the force and effect of law
- Examples of sources that DO NOT have the force and effect of law and should NOT be relied upon to sustain a belief or position:
 - Procedural Regulations: 26 C.F.R. Part 601. See *Einhorn v. Dewitt*, 618 F.2d 347 (6th Cir. 06/04/1980), *Luhrling v. Glotzbach*, 304 F.2d 560 (4th Cir. 05/28/1962).
 - Internal Revenue Manual. See *U.S. v. Will*, 671 F.2d 963 (1982)
 - ALL IRS Publications and forms. See I.R.M. Section 4.10.7.2.7.
 - Statements of IRS employees or Telephone advice from IRS employees. See *Boulez v. C.I.R.*, 258 U.S.App.D.C. 90, 810 F.2d 209 (1987)
- See the following link for further information about sources you can't trust:
<http://famguardian.org/Subjects/Taxes/Articles/IRSNotResponsible.htm>

Positive Law

- **Positive law:**
Positive Law. Law actually and specifically enacted or adopted by proper authority for the government of an organized jural society. See also Legislation [Black's Law Dictionary, Sixth Edition, p. 1162]
- The U.S. Code is organized by subject into 50 “Titles”:
 - Title 8 covers “Aliens and Nationality” and is positive law
 - Title 18 covers “Crimes and Criminal Procedure” and is positive law
 - Title 28 covers “Judiciary and Judicial Procedure” and has been enacted into positive law
- 1 U.S.C. §204 identifies which titles of the U.S. Code are positive law
- Title 26 covers “Internal Revenue Code” and is NOT positive law
- Laws which may be enforced by the federal government in states of the Union or federal territories must be positive law and must have implementing regulations published in the Federal Register. Otherwise, they apply only to federal territory to federal employees, benefit recipients, federal agencies, and federal contractors. See:
 - 44 U.S.C. §1505(a)
 - 5 U.S.C. §553(a)
 - Requirement for Reasonable Notice, Form #05.022
<http://sedm.org/Forms/FormIndex.htm>

I.R.C. Subtitle A is a Religion for people in States of the Union

- **I.R.C. Subtitle A is a “law” for “public offices” domiciled in the District of Columbia but a religion for everyone else, including people in states of the Union**
- **A “religion” is simply any system of behaviors and convictions:**
 - **Whose validity or authority cannot be proven or demonstrated scientifically, and instead are a matter of personal opinion and belief. Such personal opinion includes those of federal judges.**
 - **Which do not have the “force and effect of law” for EVERYONE.**
 - **Which operate exclusively by voluntary consent and participation upon only those who expressly consent.**
 - **Which are an extension of our right to contract, where we voluntarily and without duress surrender our natural rights in exchange for some perceived public or personal “good”, whether it be spiritual or economic.**

I.R.C. Subtitle A is a Religion for people in States of the Union

- Because the Internal Revenue Code Subtitle A has no liability statute on anything other than withholding agents on “nonresident aliens” in [26 U.S.C. §1461](#) and imposes a tax on voluntary, avoidable, excise taxable activity in only the District of Columbia (and other places EXPRESSLY authorized) then for people in States of the Union it is:
 - A voluntary federal “[religion](#)”
 - Unenforceable and may not adversely affect the rights of people who have not voluntarily surrendered their rights by some legal mechanism, however devious
- Only those legal “persons” who have voluntarily and ignorantly surrendered their rights in exchange for excise taxable federal “[privileges](#)” are the proper subject of Subtitle A of the [Internal Revenue Code](#). These persons are:
 - Privileged “public officers” and federal instrumentalities serving in “[public office](#)”. See [26 U.S.C. §7701\(a\)\(26\)](#), [26 C.F.R. §31.3401\(c\)-1](#), and [26 C.F.R. §1.872-2\(f\)](#).

I.R.C. Subtitle A is a Religion for people in States of the Union

- Federal corporations established under federal and not state law and which are involved in foreign commerce only. See [26 U.S.C. §7001](#) and [26 C.F.R. §1.861-8\(f\)\(1\)](#).
- Those who have submitted tax returns and assessed themselves, even if they are not in fact “liable” under the religion called the Internal Revenue Code
- Those not engaged in a “trade or business” but who act like “taxpayers” by not rebutting false information returns filed against them, such as IRS forms W-2, 1042-S, 1098, 1099. See: *Income Tax Withholding and Reporting Course*, Form #12.004
<http://sedm.org/Forms/FormIndex.htm>
- The reason that the Internal Revenue Code Subtitle A MUST be a religion and a voluntary choice for people in states of the Union is because a free people MUST consent to the taxes they pay, and they must pay only for those government services they desire and want. They cannot be expected to pay for things they don’t want and don’t need, or they are slaves. See the articles below:
 - *Why Domicile and Becoming a “Taxpayer” Require Your Consent*, Form #05.002
<http://sedm.org/Forms/FormIndex.htm>
 - *Requirement for Consent*, Form #05.003
<http://sedm.org/Forms/FormIndex.htm>
 - *No Taxation Without Consent*
<http://famguardian.org/Subjects/Taxes/Articles/NoTaxationWithoutConsent.htm>
- The free book below proves that the government has become a false god, a religion, and a cult:
Socialism: The New American Civil Religion, Form #05.016
<http://sedm.org/Forms/FormIndex.htm>

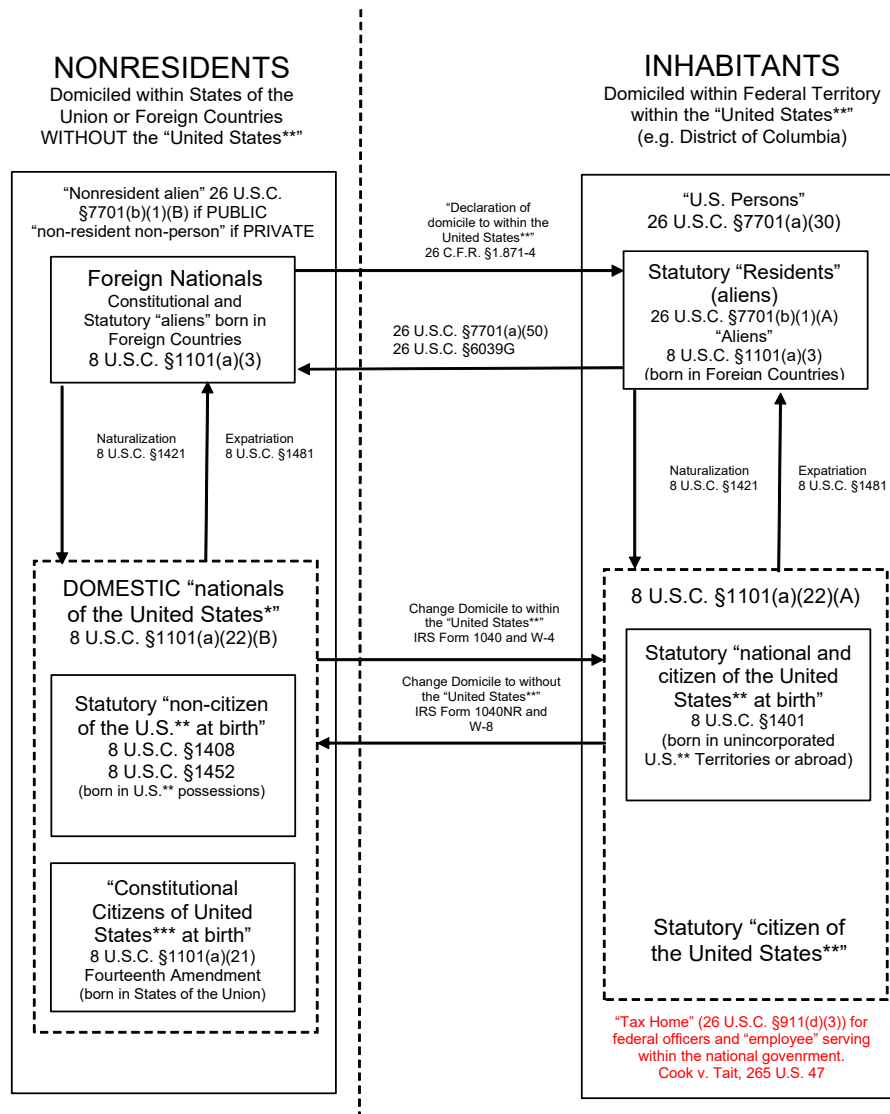
Legal Research

- Family Guardian Website has many resources to help you do further legal research and validate everything we are saying in this website:
 - Legal Research Sources:
<http://famguardian.org/TaxFreedom/LegalRef/LegalResrchSrc.htm>
 - State Legal Resources:
<http://famguardian.org/TaxFreedom/LegalRef/StateLegalResources.htm>
 - Law and Government:
<http://famguardian.org/Subjects/LawAndGovt/LawAndGovt.htm>
- Third party resources to do your own research:
 - [Cornell University Law](https://www.law.cornell.edu/uscode/text): U.S. Code
<https://www.law.cornell.edu/uscode/text>
 - [Fastcase](https://fastcase.com): Lower court rulings
<https://fastcase.com>
- Don't take our word for it or assume anything we say is factual: Study the law for yourself!
“One who turns his ear from hearing the law, even his prayer is an abomination.”
[Prov. 28:9, Bible, NKJV]

Citizenship and Sovereignty Review

- A constitutional “citizen of the United States” described in the Fourteenth Amendment is NOT the same as a statutory “citizen of the United States” described in 8 U.S.C. §1401 because the term “United States” has entirely different meanings in these two mutually exclusive contexts.
- People born anywhere in America and domiciled in the exclusive jurisdiction of states of the Union:
 - Are “nationals but not citizens” under 8 U.S.C. § 1101(a)(21).
 - Are not “citizens” under the Internal Revenue Code:
You’re Note a STATUTORY “citizen” under the Internal Revenue Code, Family Guardian Fellowship
<http://famguardian.org/Subjects/Taxes/Citizenship/NotACitizenUnderIRC.htm>
 - Are not “residents” under the Internal Revenue Code. See:
You’re not a STATUTORY “resident” under the Internal Revenue Code, Family Guardian Fellowship
<http://famguardian.org/Subjects/Taxes/Citizenship/Resident.htm>
- A “national of the United States***” who is not a statutory “citizen” is a “nonresident” but NOT a “nonresident alien individual” under the Internal Revenue Code. See 26 U.S.C. §7701(b)(1)(B).
- The terms “alien”, “resident alien”, and “resident” are all synonymous within the context of the Internal Revenue Code and mean “alien”.

Citizenship, Domicile, and Tax Status



Citizenship Status v. Federal Income Tax Status Summary

#	Citizenship status	Place of birth	Domicile	Accepting tax treaty benefits?	Defined in	Tax Status under 26 U.S.C./Internal Revenue Code			
						"Citizen" (defined in 26 C.F.R. §1.1-1)	"Resident alien" (defined in 26 U.S.C. §7701(b)(1)(A), 26 C.F.R. §1.1441-1(c)(3)(i) and 26 C.F.R. §1.1-1(a)(2)(ii))	"Nonresident alien INDIVIDUAL" (defined in 26 U.S.C. §7701(b)(1)(B) and 26 C.F.R. §1.1441-1(c)(3))	"Non-resident NON-person" (not defined)
1	"national and citizen of the United States** at birth" or "U.S.** citizen" or Statutory "U.S.** citizen"	Statutory "United States" pursuant to 8 U.S.C. §1101(a)(38), (a)(36) and 8 C.F.R. §215.1(f) or in the "outlying possessions of the United States" pursuant to 8 U.S.C. §1101(a)(29)	District of Columbia, Puerto Rico, Guam, Virgin Islands	NA	8 U.S.C. §1401 8 U.S.C. §1101(a)(22)(A)	Yes (only pay income tax abroad with IRS Forms 1040/2555. See Cook v. Tait, 265 U.S. 47 (1924))	No	No	No
2	"non-citizen national of the United States** at birth" or "U.S.** national"	Statutory "United States" pursuant to 8 U.S.C. §1101(a)(38), (a)(36) and 8 C.F.R. §215.1(f) or in the "outlying possessions of the United States" pursuant to 8 U.S.C. §1101(a)(29)	American Samoa; Swains Island; or abroad to U.S. national parents under 8 U.S.C. §1408(2)	NA	8 U.S.C. §1408; 8 U.S.C. §1101(a)(22)(B); 8 U.S.C. §1452	No (see 26 U.S.C. §7701(b)(1)(B))	No	Yes (see IRS Form 1040NR for proof)	No

Citizenship Status v. Federal Income Tax Status Summary

#	Citizenship status	Place of birth	Domicile	Accepting tax treaty benefits?	Defined in	Tax Status under 26 U.S.C./Internal Revenue Code			
						"Citizen" (defined in 26 C.F.R. §1.1-1)	"Resident alien" (defined in 26 U.S.C. §7701(b)(1)(A), 26 C.F.R. §1.1441-1(c)(3)(i) and 26 C.F.R. §1.1-1(a)(2)(ii))	"Nonresident alien INDIVIDUAL" (defined in 26 U.S.C. §7701(b)(1)(B) and 26 C.F.R. §1.1441-1(c)(3))	"Non-resident NON-person" (not defined)
3.1	"U.S.A.*** national" or "state national" or "Constitutional but not statutory U.S.*** citizen"	Constitutional state of the Union	State of the Union	NA (ACTA agreement)	8 U.S.C. §1101(a)(21); Fourteenth Amend., Sect. 1; 8 U.S.C. §1101(a)(22)(B)	No	No	No	Yes
3.2	"U.S.A.*** national" or "state national" or "Constitutional but not statutory U.S.*** citizen"	Constitutional state of the Union	Foreign country	Yes	8 U.S.C. §1101(a)(21); Fourteenth Amend., Sect. 1; 8 U.S.C. §1101(a)(22)(B)	No	No	Yes	No
3.3	"U.S.A.*** national" or "state national" or "Constitutional but not statutory U.S.*** citizen"	Constitutional state of the Union	Foreign country	No	8 U.S.C. §1101(a)(21); Fourteenth Amend., Sect. 1; 8 U.S.C. §1101(a)(22)(B)	No	No	No	Yes

Citizenship Status v. Federal Income Tax Status Summary

I	Citizenship status	Place of birth	Domicile	Accepting tax treaty benefits?	Defined in	Tax Status under 26 U.S.C./Internal Revenue Code			
						“Citizen” (defined in 26 C.F.R. §1.1-1)	“Resident alien” (defined in 26 U.S.C. §7701(b)(1)(A), 26 C.F.R. §1.1441-1(c)(3)(i) and 26 C.F.R. §1.1-1(a)(2)(ii))	“Nonresident alien INDIVIDUAL” (defined in 26 U.S.C. §7701(b)(1)(B) and 26 C.F.R. §1.1441-1(c)(3))	“Non-resident NON-person” (not defined)
3.4	Statutory “citizen of the United States**” or Statutory “U.S.** citizen”	Constitutional state of the Union	Puerto Rico, Guam, Virgin Islands, Commonwealth of Northern Mariana Islands	NA	8 U.S.C. §1101(a)(21); 14 th Amend. Sect.1; 8 U.S.C. §1101(a)(22)(B)	Yes	No	No	No

Citizenship Status v. Federal Income Tax Status Summary

#	Citizenship status	Place of birth	Domicile	Accepting tax treaty benefits?	Defined in	Tax Status under 26 U.S.C./Internal Revenue Code			
						"Citizen" (defined in 26 C.F.R. §1.1-1)	"Resident alien" (defined in 26 U.S.C. §7701(b)(1)(A), 26 C.F.R. §1.1441-1(c)(3)(i) and 26 C.F.R. §1.1-1(a)(2)(ii))	"Nonresident alien INDIVIDUAL" (defined in 26 U.S.C. §7701(b)(1)(B) and 26 C.F.R. §1.1441-1(c)(3))	"Non-resident NON-person" (not defined)
4.1	"alien" or "Foreign national"	Foreign country	Puerto Rico, Guam, Virgin Islands, Commonwealth of Northern Mariana Islands	NA	8 U.S.C. §1101(a)(21); 8 U.S.C. §1101(a)(3)	No	Yes	No	No
4.2	"alien" or "Foreign national"	Foreign country	State of the Union	Yes	8 U.S.C. §1101(a)(21); 8 U.S.C. §1101(a)(3)	No	No	Yes	No
4.3	"alien" or "Foreign national"	Foreign country	State of the Union	No	8 U.S.C. §1101(a)(21); 8 U.S.C. §1101(a)(3)	No	No	No	Yes
4.4	"alien" or "Foreign national"	Foreign country	Foreign country	Yes	8 U.S.C. §1101(a)(21)	No	No	Yes	No
4.5	"alien" or "Foreign national"	Foreign country	Foreign country	No	8 U.S.C. §1101(a)(21)	No	No	No	Yes

Federal Statutory Citizenship Statuses Diagram

"The term 'United States' may be used in any one of several senses. 1) It may be merely the name of a sovereign occupying the position analogous to that of other sovereigns in the family of nations. 2) It may designate the territory over which the sovereignty of the United States extends, or 3) it may be the collective name of the states which are united by and under the Constitution." [Numbering Added]

[\[Hooven & Allison Co. v. Evatt, 324 U.S. 652, \(1945\)\]](#)

- **The options from above are:**
 - **US¹ - Context used in matters describing our sovereign country within the family of nations.**
 - **US² - Context used to designate the territory over which the Federal Government is sovereign.**
 - **US³ - Context used regarding the sovereign states of the Union united by and under the Constitution.**
- **Now lets put the various federal statutory citizenship statuses into a diagram to make their relationships crystal clear starting on the next page:**

Federal Statutory Citizenship Statuses Diagram

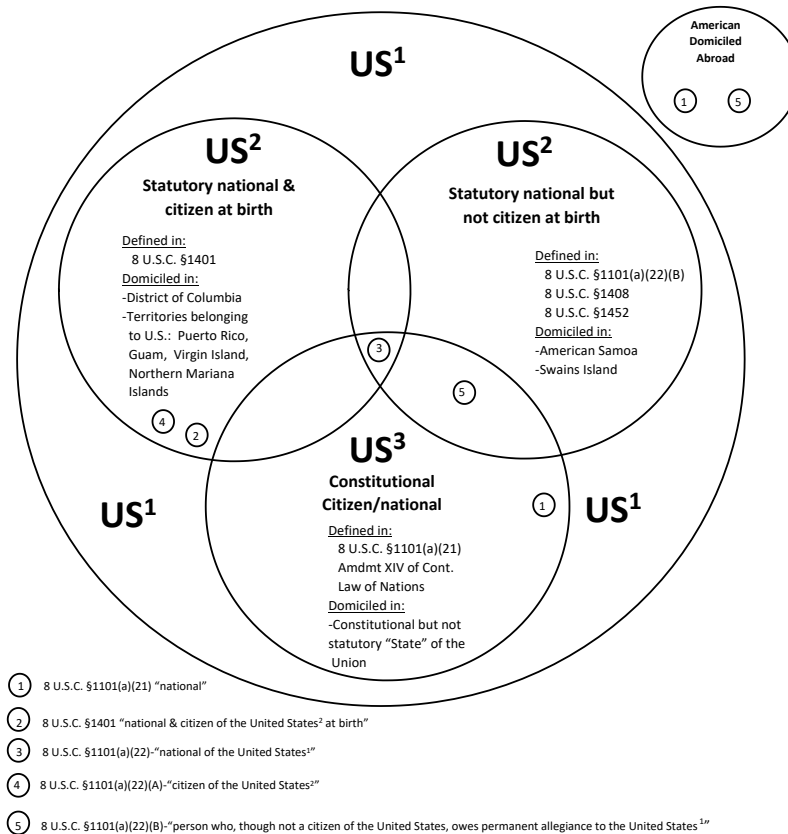
FEDERAL STATUTORY CITIZENSHIP STATUSES

"The term 'United States' may be used in any one of several senses. **1)** It may be merely the name of a sovereign occupying the position analogous to that of other sovereigns in the family of nations. **2)** It may designate the territory over which the sovereignty of the United States extends, or **3)** it may be the collective name of the states which are united by and under the Constitution." **[Numbering Added]** [Hooven & Allison Co. v. Evatt, 324 U.S. 652 (1945)]

US¹-Context used in matters describing our sovereign country within the family of nations.

US²-Context used to designate the territory over which the Federal Government is exclusively sovereign.

US³-Context used regarding sovereign states of the Union united by and under the Constitution.



Americans Nationals are Nonresident Aliens

- American Nationals born anywhere in the COUNTRY are “nonresident aliens” IF THEY WANT TO BE. For proof, see:
 - *Nonresident Alien Position Course*, Form #12.045
<https://sedm.org/LibertyU/NRA.pdf>
 - *Proof that American Nationals are Nonresident Aliens*, Form #09.081
<https://sedm.org/Forms/09-Procs/ProofAnNRA.pdf>
 - *Rebutted False Arguments About the Nonresident Alien Position When Used by American Nationals*, Form #08.031
<https://sedm.org/Forms/08-PolicyDocs/RebArgNRA.pdf>
- If you don’t understand citizenship and the TWO context for citizenship terms, you will DEFAULT to be treated ILLEGALLY as a STATUTORY “U.S. Person” per 26 C.F.R. §301.6109-1(g)(1)(i) if you use a STATUTORY SSN.

[26 CFR § 301.6109-1 - Identifying numbers.](#)

(g) Special rules for taxpayer identifying numbers issued to foreign persons—

(1) General rule—

(i) Social security number.

A social [security](#) number is generally identified in the records and database of the Internal Revenue Service as a number belonging to a U.S. citizen or resident alien individual. A person may establish a different status for the number by providing proof of foreign status with the Internal Revenue Service under such procedures as the Internal Revenue Service shall prescribe, including the use of a form as the Internal Revenue Service may specify. Upon accepting an individual as a nonresident alien individual, the Internal Revenue Service will assign this status to the individual's social [security](#) number.

Americans Nationals are Nonresident Aliens

- People born in America and domiciled within a state of the Union ARE:

- Constitutional “citizens”.
- Not statutory “citizens” under [8 U.S.C. §1401](#).
- Not statutory “[residents](#)” under [26 U.S.C. §7701\(b\)\(1\)\(A\)](#).
- “nonresidents” but not “nonresident alien individuals”.
- Not STATUTORY “[U.S. persons](#)” under [26 U.S.C. §7701\(a\)\(30\)](#):

[TITLE 26](#) > [Subtitle F](#) > [CHAPTER 79](#) > Sec. 7701.

[Sec. 7701. - Definitions](#)

(a)(30) [United States](#) person

The term “United States person” means -

- (A) a [citizen](#) or [resident](#) of the United States,
- (B) a domestic partnership,
- (C) a domestic [corporation](#),
- (D) any estate (other than a foreign estate, within the meaning of paragraph (31)), and
- (E) any trust if -
 - (i) a court within the United States is able to exercise primary supervision over the administration of the trust, and
 - (ii) one or more United States persons have the authority to control all substantial decisions of the trust.

Two Types of “nonresidents”

- A “nonresident alien” is someone who is neither a “citizen of the United States**” nor a “resident of the United States**” under federal law

[TITLE 26](#) > [Subtitle F](#) > [CHAPTER 79](#) > § 7701
[§ 7701. Definitions](#)

(b) Definition of resident alien and nonresident alien

(1) In general

For purposes of this title (other than subtitle B)—

(B) Nonresident alien An individual is a nonresident alien if such individual is neither a citizen of the United States nor a resident of the United States (within the meaning of subparagraph (A)).

- There are TWO types of “nonresidents”:
 - “Nonresident alien individuals”: Defined in [26 U.S.C. §7701\(b\)\(1\)\(B\)](#). A subset of all “alien individuals”. Includes foreign nationals but not domestic “nationals”.
 - “Non-resident non-persons”: Includes people born anywhere in America and domiciled within the exclusive jurisdiction of a state of the Union.
- A “non-resident non-person” becomes a “nonresident alien individual” when he/she/it agrees to occupy a public office in the government AND serves on federal territory where national law applies

“Non-resident NON-persons”

- People domiciled in other countries:
 - Are “[non-resident non-persons](#)”.
 - Are on an equal footing with people born in and domiciled in states of the Union for the purpose of federal income taxes. See [IRS Publication 54](#) for confirmation of this fact.
- A “[non-resident non-person](#)” is **NOT** an “alien” or “alien individual” under the [Internal Revenue Code](#).
- “[Non-resident NON-persons](#)” have NO LIABILITY under the I.R.C.:
 - They can earn no “gross income” because [26 U.S.C. §871](#) describes taxable income of “nonresident alien individuals” but not “nonresidents” who are NOT “individuals”.
 - They cannot have a liability to file a tax return because 26 C.F.R. §1.6012-1(b) only imposes that duty on STATUTORY “U.S. persons” and “nonresident alien individuals”. Those who are “non-resident NON-persons” are nowhere described as having a liability to file a tax return.

Rules of Statutory Construction

- It is a maxim of statutory construction and interpretation that things such as “non-resident non-persons” who are NOT mentioned in the code:
 - Aren’t subject!
 - Are purposefully excluded
 - Do not have a liability!
- Examples:

“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of another. Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded.”

[Black’s Law Dictionary, Sixth Edition, page 581]

“When a statute includes an explicit definition, we must follow that definition, even if it varies from that term’s ordinary meaning. Meese v. Keene, 481 U.S. 465, 484-485 (1987) (“It is axiomatic that the statutory definition of the term excludes unstated meanings of that term”); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 (“As a rule, ‘a definition which declares what a term “means” . . . excludes any meaning that is not stated”); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read “as a whole,” post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General’s restriction -- “the child up to the head.” Its words, “substantial portion,” indicate the contrary.”

[Stenberg v. Carhart, 530 U.S. 914 (2000)]

“Nonresident Alien Individuals”

- **“Nonresident alien individuals”** and **“non-resident non-persons”** who are not engaged in a **“trade or business”** in the **“United States”** government and who have no earnings from the United States (government) do not have a taxable source of income and are therefore not **“taxpayers”** pursuant to **26 U.S.C. §871**
 - **26 C.F.R. §1.872-2(f)** says that **“nonresident aliens”** with no earnings connected with a **“trade or business”** and all of whose earnings originate outside the U.S. Government earn no **“gross income”** and are not subject to tax
 - **26 U.S.C. §861(a)(3)(C)(i)** says that income of **“nonresident aliens”** not **“engaged in a trade or business”** in the United States” is not includable in gross income
 - **26 U.S.C. §871(a)** imposes a 30% tax on all taxable income of “nonresident aliens” not connected with a **“trade or business”**
 - Taxable sources of income for “nonresident aliens” are found at **26 C.F.R. §1.861-8(f)(1)(iv)** and applies only to income **“effectively connected with a trade or business”**
- All **“Nonresident alien individuals”** are also **“alien individuals”** but not vice versa
- A **“nonresident alien individual”** may elect to be treated as an alien under **26 U.S.C. §6013(g)** and **26 U.S.C. §7701(b)(4)(B)**

“Nonresident Alien Individuals”

- **“Nonresident alien individuals”:**
 - Earn **“gross income”** or **“taxable income”** only on the following:
 - » Earnings connected with a “public office” within the **“United States”** government, which is what a **“trade or business”** is under **26 U.S.C. §7701(a)(26)**. See 26 U.S.C. §871(b).
 - » Earnings not connected with a “trade or business” but from within the United States government under 26 U.S.C. §871(a).
 - File the **form 1040NR**, not the form 1040. It says so right on the form
 - Use the IRS form W-8BEN to stop tax withholding. See: **About IRS Form W-8BEN**, Form #04.202
<http://sedm.org/Forms/FormIndex.htm>
 - File tax returns at the Texas International Operations Branch, and not at any District Office or Service Center
 - Do not reside in any Internal Revenue District or United States Judicial District and are not subject to the jurisdiction of the federal courts
- **“Nonresident alien individuals” not engaged in a **“trade or business”****
 - Are defined and described in **26 C.F.R. §1.871-1(b)(1)(i)**.
 - Do not earn “gross income” on earnings from outside the United States

Title 26: Internal Revenue
PART 1—INCOME TAXES
nonresident alien individuals
§ 1.872-2 Exclusions from gross income of nonresident alien individuals.

(f) Other exclusions.
Income which is from sources without [outside] the United States [District of Columbia, see 26 U.S.C. 7701(a)(9) and (a)(10)], as determined under the provisions of sections 861 through 863, and the regulations thereunder, is not included in the gross income of a nonresident alien individual unless such income is effectively connected for the taxable year with the conduct of a trade or business in the United States by that individual. To determine specific exclusions in the case of other items which are from sources within the United States, see the applicable sections of the Code. For special rules under a tax convention for determining the sources of income and for excluding, from gross income, income from sources without the United States which is effectively connected with the conduct of a trade or business in the United States, see the applicable tax convention. For determining which income from sources without the United States is effectively connected with the conduct of a trade or business in the United States, see section 864(c)(4) and §1.864-5.
 - Are not required to do backup withholding or 1099 reporting
 - » **“Foreign persons who provide Form W-8BEN, Form W-8ECI, or Form W-8EXP (or applicable documentary evidence) are exempt from backup withholding and Form 1099 reporting.”** [IRS Pub. 515, 2000, p. 3]

“Nonresident Alien Individuals”

- Don’t earn reportable “wages” on an IRS form W-2

[TITLE 26](#) > [Subtitle C](#) > [CHAPTER 24](#) > § 3401
[§ 3401. Definitions](#)

(a) *For the purposes of this chapter, the term "wages" means all remuneration (other than fees paid to a public official) for services performed by an employee [an elected or appointed public official] to his employer...**except that such term shall not include remuneration for:***

(6) ***such services, performed by a nonresident alien individual.***

- Do not need to use identifying numbers on their financial accounts

» [Title 26: Internal Revenue](#)

[PART 1—INCOME TAXES](#)

[Withholding of Tax on Nonresident Aliens and Foreign Corporations and Tax-Free Covenant Bonds](#)

[Sec. 1.1441-6 Claim of reduced withholding under an income tax treaty.](#)

(c) ***Exemption from requirement to furnish a taxpayer identifying number*** and special documentary evidence rules for certain income.

(1) General rule.

»

In the case of income described in paragraph (c)(2) of this section, a withholding agent may rely on a beneficial owner withholding certificate [IRS Form W-8BEN] described in paragraph (b)(1) of this section without regard to the requirement that the withholding certificate include the beneficial owner's taxpayer identifying number. In the case of payments of income described in paragraph (c)(2) of this section made outside the United States [federal zone] (as defined in Sec. 1.6049-5(e)) with respect to an offshore account (as defined in Sec. 1.6049-5(c)(1)), a withholding agent may, as an alternative to a withholding certificate described in paragraph (b)(1) of this section, rely on a certificate of residence described in paragraph (c)(3) of this section or documentary evidence described in paragraph (c)(4) of this section, relating to the beneficial owner, that the withholding agent has reviewed and maintains in its records in accordance with Sec. 1.1441-1(e)(4)(iii). In the case of a payment to a person other than an individual, the certificate of residence or documentary evidence must be accompanied by the statements described in paragraphs (c)(5)(i) and (ii) of this section regarding limitation on benefits and whether the amount paid is derived by such person or by one of its interest holders. The withholding agent maintains the reviewed documents by retaining either the documents viewed or a photocopy thereof and noting in its records the date on which, and by whom, the documents were received and reviewed. This paragraph (c)(1) shall not apply to amounts that are exempt from withholding based on a claim that the income is effectively connected with the conduct of a [trade or business](#) in the United States.

“Nonresident Alien Individuals”

- A “nonresident alien individual” may “elect” or “consent” to be treated as a “resident” under the following provisions of law:
 - [26 U.S.C. §6013](#)(g) or (h).
 - [26 U.S.C. §7701](#)(b)(4)(B).
 - [26 C.F.R. §1.871-1](#)(a).
 - The Foreign Sovereign Immunities Act, 28 U.S.C. §1605(a)(2), which says that those who conduct “commerce” within the legislative jurisdiction of the United States (in the federal zone) surrender their sovereign immunity.
[TITLE 28](#) > [PART IV](#) > [CHAPTER 97](#) > § 1605
[§ 1605. General exceptions to the jurisdictional immunity of a foreign state](#)
 - (a) A foreign state shall not be immune from the jurisdiction of courts of the United States or of the States in any case—
 - (2) in which the action is based upon a commercial activity carried on in the United States by the foreign state; or upon an act performed in the United States in connection with a commercial activity of the foreign state elsewhere; or upon an act outside the territory of the United States in connection with a commercial activity of the foreign state elsewhere and that act causes a direct effect in the United States;
- The above “election” is called a “Revocation of Election”.

“Nonresident Alien Individuals”

- For details on Revocations of Election, see:
 - *Flawed Tax Arguments to Avoid*, Form #08.004, Section 9.32
<http://sedm.org/Forms/FormIndex.htm>
 - *Non-Resident Non-Person Position*, Form #05.020, Section 6.10
<http://sedm.org/Forms/FormIndex.htm>
- If you would like to learn more about tax obligations of nonresident aliens, see:
Non-Resident Non-Person Position, Form #05.020
<http://sedm.org/Forms/FormIndex.htm>

Why Don't More People File as "Nonresidents"?

- Deceptive and incomplete trade publications on the subject of payroll withholding for "nonresidents" not engaged in a "[trade or business](#)". See:
 - *The Payroll Source*, 2002; American Payroll Association; Michael P. O'Toole, Esq.; ISBN 1-930471-24-6. Published by the [American Payroll Association \(APA\)](#)
 - *Principles of Payroll Administration*; 2004 Edition; Debra J. Salam, CPA & Lucy Key Price, CPP; [RIA](#), 117 West Stevens Ave; Valhalla, NY 10595; ISBN 0-7913-5230-7.
 - *Payroll Answer Book*, Third Edition, Gregory E. Matthews, Panel Publishers (now [Aspen Publishers](#)); ISBN 0-7355-1662-6; 2001.
- Payroll clerks who are too busy or lazy to read the law for themselves
- Fear of illegal IRS retaliation and enforcement
- Cognitive dissonance with the word "nonresident alien" being used to describe the average American
- Tax preparers and tax professionals are "brain washed" by the IRS to steer people away from this approach by propaganda that the courts refuse them to be held accountable for:
<http://famguardian.org/Subjects/Taxes/Articles/IRSNotResponsible.htm>
- The tax rate on "nonresident alien individuals" is a flat 30% instead of the graduated rate found on the form 1040. This leads people to avoid this status because the tax rate "appears" higher, but in fact is lower (zero) for the average American. See [26 U.S.C. §871](#)
- When people first start off in the tax system by filing their first tax form, they choose the 1040 instead of the [form 1040NR](#) because it gives them a lower rate initially, and they continue with this bad and wrong habit for the rest of their lives
- 1040NR forms are made deliberately more difficult to obtain in post offices and other sources
- The 1040NR form is more complicated to fill out so people naturally avoid it

“Aliens” v. “Nonresident aliens”

- **“aliens” and “nonresident aliens” are NOT equivalent within the I.R.C.:**
 - “Aliens” and “resident aliens” are defined in [26 U.S.C. §7701\(b\)\(1\)\(A\)](#).
 - “Nonresident aliens” are defined in [26 U.S.C. §7701\(b\)\(1\)\(B\)](#).
 - “nonresident aliens INDIVIDUALS” are a subset of “alien INDIVIDUALS” as “alien individual” is currently defined in [26 C.F.R. §1.1441-1\(c\)\(3\)\(i\)](#).
- **Individuals:**
 - Statutory “[Individuals](#)” are the people required to file IRS form 1040
 - All statutory “[individuals](#)” are “aliens” pursuant to [26 C.F.R. §1.1441-1\(c\)\(3\)](#).
 - Statutory “Individuals” exclude people born in America and domiciled in states of the Union called “nationals” as defined in [8 U.S.C. §1101\(a\)\(21\)](#) or “[non-resident non-persons](#)”.
 - “Alien [individuals](#)” are:
 - » Defined in [26 C.F.R. §1.1441-1\(c\)\(3\)\(i\)](#).
 - » Aliens occupying a public office in the government.
 - “Nonresident alien [individuals](#)” are:
 - » Defined in [26 U.S.C. §7701\(b\)\(1\)\(B\)](#).
 - » A subset of all “alien [individuals](#)”.
 - The ONLY time a STATUTORY “citizen” or “resident” (alien) is ALSO a STATUTORY “[individual](#)” is when they are abroad under [26 U.S.C. §911\(d\)\(1\)\(A\)](#). In that capacity, they are called “qualified individuals”.

“Non-Resident Non-Persons”

- **Non-persons:**
 - “Alien non-persons”:
 - » Include foreign nationals
 - » Exclude people born anywhere in America
 - “**Non-resident non-persons**”:
 - » Are NOT a subset of all “aliens”.
 - » Include
 - People born anywhere in America with no **domicile** or a domicile in a foreign country who have made no “elections” under the Internal Revenue Code
 - People born anywhere in America and **domiciled** in states of the Union
 - Foreign nationals not occupying public offices in the government
 - Those who are “**stateless**” as the courts would call them

“Non-Resident Non-Persons”

- For details on “non-resident non-persons”, see:
Non-Resident Non-Person Position, Form #05.020
<https://sedm.org/Forms/FormIndex.htm>
- Section 2 of the above has a detailed legal description of “non-persons”.

What is a “Tax”?

- **Taxes defined:**

“Tax: A charge by the government on the income of an individual, corporation, or trust, as well as the value of an estate or gift. The objective in assessing the tax is to generate revenue to be used for the needs of the public.

A pecuniary [relating to money] burden laid upon individuals or property to support the government, and is a payment exacted by legislative authority. In re Mytinger, D.C.Tex. 31 F.Supp. 977,978,979. Essential characteristics of a tax are that it is NOT A VOLUNTARY PAYMENT OR DONATION, BUT AN ENFORCED CONTRIBUTION, EXACTED PURSUANT TO LEGISLATIVE AUTHORITY. Michigan Employment Sec. Commission v. Patt, 4 Mich.App. 228, 144 N.W.2d 663, 665. ...”

[Black’s Law Dictionary, Sixth Edition, p. 1457]

- **Only legitimate purpose of taxes is to support government, not the people or constituents:**

“A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the support of the government. The word has never thought to connote the expropriation of money from one group for the benefit of another.”

[[U.S. v. Butler, 297 U.S. 1 \(1936\)](#)]

To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms.

Nor is it taxation. ‘A tax,’ says Webster’s Dictionary, ‘is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.’ ‘Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.’ Cooley, Const. Lim., 479.

[Loan Association v. Topeka, 20 Wall. 655 (1874)]

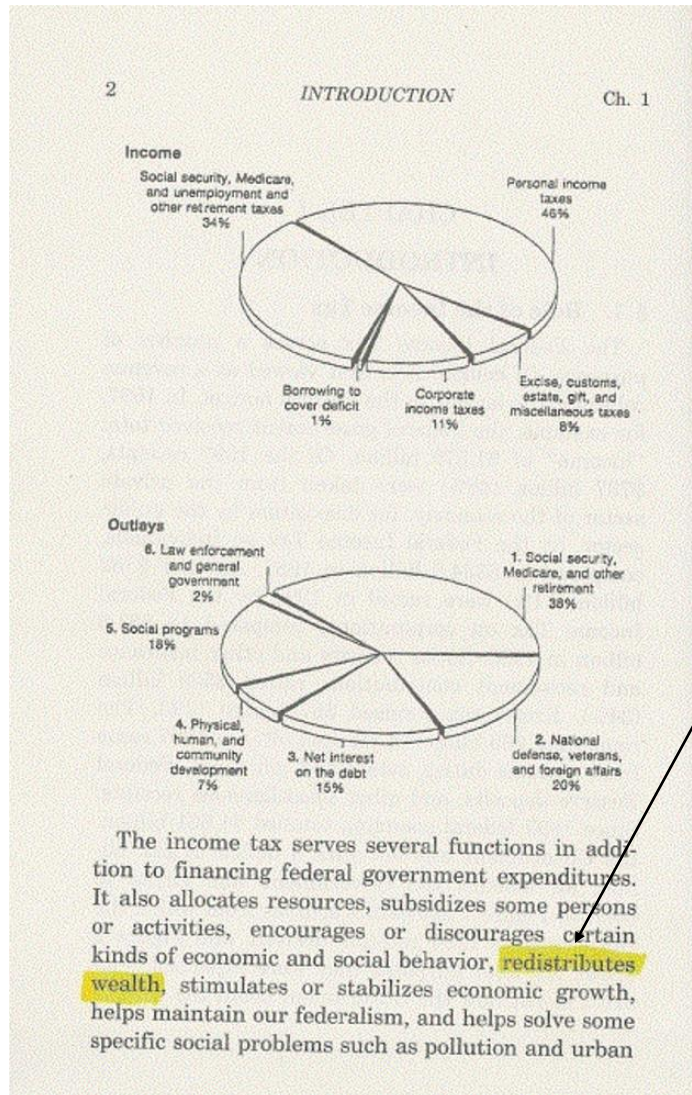
“Political Heresy”

- The U.S. Supreme Court has said that when the government abuses its taxing power to redistribute wealth, any statute which implements it is not “law” and constitutes “political heresy” that is completely contradictory to the concept of “republican government” that is the foundation of our system of government:

"In Calder v. Bull, which was here in 1798, Mr. Justice Chase said, that there were acts which the Federal and State legislatures could not do without exceeding their authority, and among them he mentioned a law which punished a citizen for an innocent act; a law that destroyed or impaired the lawful private [labor] contracts [and labor compensation, e.g. earnings from employment through compelled W-4 withholding] of citizens; a law that made a man judge in his own case; and a law that took the property from A [the worker]. and gave it to B [the government or another citizen, such as through social welfare programs]. 'It is against all reason and justice,' he added, 'for a people to intrust a legislature with such powers, and therefore it cannot be presumed that they have done it [passed a “law”, in this case] . They may command what is right and prohibit what is wrong; but they cannot change innocence into guilt, or punish innocence as a crime, or violate the right of an antecedent lawful private [employment] contract [by compelling W-4 withholding, for instance], or the right of private property. To maintain that a Federal or State legislature possesses such powers [of THEFT!] if they had not been expressly restrained, would, in my opinion, be a political heresy altogether inadmissible in all free republican governments.' 3 Dall. 388."

[Sinking Fund Cases, 99 U.S. 700 (1878)]

Where do your “taxes” go



The page on the left was extracted from:

Federal Income Taxation on Individuals, West Group, 1999, ISBN 0-314-23868-9, p. 2,

WHAT'S WRONG WITH THIS PICTURE, FOLKS?

You Don't Pay "tax" to the IRS!

- Social Security, Medicare, Welfare, FICA are NOT **"taxes"**, they are government **"insurance"** programs, and all insurance programs are voluntary!
- When "taxes" are used for bribery and "wealth redistribution" instead of supporting the government ONLY, as the law book on the previous pages says, then:
 - All governments, judiciaries, and tax collection systems invariably become corrupt
 - Governments invariably grow out of control because of thirst for money and power
 - The liberties of the people are eliminated one-by-one as taxes are increased and the tax code becomes a means of political control and tyranny
- What laws are violated when "taxes" are used for "wealth redistribution"?
 - [18 U.S.C. 2381](#): Treason
 - [18 U.S.C. 208](#): Conflict of interest
 - [18 U.S.C. 597](#): Expenditures to influence voting
 - [18 U.S.C. 2111](#): Robbery
 - [18 U.S.C. 872](#): Extortion
 - [18 U.S.C. 876](#): Mailing threatening communications
 - [18 U.S.C. 873](#): Blackmail
 - [18 U.S.C. 1581](#): Peonage and slavery
 - [42 U.S.C. 1994](#): Peonage and slavery
 - [13th Amend.](#): Slavery
- For further information on why taxes for wealth redistribution violate the Constitution, read:
<http://famguardian.org/Subjects/Taxes/Evidence/HowScCorruptOurRepubGovt.htm>

What Exactly Do You Pay to the IRS, Then?

- It is **FRAUD** to call what we pay to the IRS a “tax” unless we really do work for the government as public employees or “public officers”!
- What private parties who are not public official pay to the IRS is instead a “**donation**” or “**insurance premium**” disguised as a “tax” to make it look mandatory

“Donatio: A gift. A transfer of the title of property to one who receives it without paying for it. The act by which the owner of a thing voluntarily transfers the title and possession of the same from himself to another person, without any consideration.”

[Black’s Law Dictionary, Sixth Edition, p 487]

“Voluntary: “Unconstrained by interference; unimpelled by another’s influence; spontaneous; acting of oneself. Coker v. State, 199 Ga. 20, 33 S.E.2d 171, 174. Done by design or intention. Proceeding from the free and unrestrained will of the person. Produced in or by an act of choice. Resulting from free choice, without compulsion or solicitation. The word, especially in statutes, often implies knowledge of essential facts. Without valuable consideration; gratuitous, as a voluntary conveyance. Also, having a merely nominal consideration; as, a voluntary deed.”

[Black’s Law Dictionary, Sixth Edition, p. 1575]

- The IRS doesn’t maintain “tax records” about you, they maintain records of your “donations”
- The federal income tax system under [Subtitle A of the Internal Revenue Code](#) is a “**donation**” program for the municipal government of the District of Columbia, which we call the “District of Criminals”

Who are “taxpayers”?

- “taxpayer” is defined in [26 U.S.C. §7701\(a\)\(14\)](#)

26 U.S.C. §7701
(a)(14) Taxpayer

The term “taxpayer” means any person subject to any internal revenue tax.

- Definition of “subject to”:

“Liable, subordinate, subservient, inferior, obedient to; governed or affected by; provided that; provided; answerable for. Homan v. Employers Reinsurance Corp., 345 Mo. 650, 136 S.W.2d 289, 302.”

[Black’s Law Dictionary, Sixth Edition, p. 1425]

- If you aren’t engaged in a “[trade or business](#)”, then you:

- Aren’t a “[taxpayer](#)” under I.R.C. Subtitle A
- Aren’t an “individual” under I.R.C. Subtitle A

- Federal courts aren’t allowed to determine if you are a “taxpayer”. See [28 U.S.C. §2201\(a\)](#) and the case below:

“And by statutory definition, ‘taxpayer’ includes any person, trust or estate subject to a tax imposed by the revenue act. ...Since the statutory definition of ‘taxpayer’ is exclusive, the federal courts do not have the power to create nonstatutory taxpayers for the purpose of applying the provisions of the Revenue Acts...”

[C.I.R. v. Trustees of L. Inv. Ass’n, 100 F.2d 18 (1939)]

- Subtitle A of the Internal Revenue Code only makes withholding agents of nonresident aliens “liable” in [26 U.S.C. §1461](#). No one else is made “liable” unless they volunteer. [26 C.F.R. §1.1-1\(b\)](#) is an exception to this, but it is an illegal regulation because broader than the statute it implements. See [Great IRS Hoax, Form #11.302](#), section 5.6.1 for details
- How does one “volunteer”?:

By filling out either a 1040 tax return or a W-4 and sending it in!

Nature of I.R.C. Subtitle A

- Subtitle A of the Internal Revenue Code describes an indirect excise tax, which is a tax only upon artificial entities and business and not on biological people
- All excise taxes are imposed on “licensed” or “privileged activities”
- Within states of the Union, federal government only has jurisdiction to tax imports under Constitution, [Article 1, Section 8, Clause 3](#). This is the ONLY privileged/taxable activity applicable to states of the Union, and it is only taxable to federally registered corporations
- Within the federal zone, [Article 1, Section 8, Clauses 1 and 17](#) of the Constitution gives Congress unrestricted jurisdiction to tax anything it likes, not just importation by corporations. This is called “municipal taxation”. The District of Columbia is a “municipal corporation” and I.R.C. Subtitle A applies primarily to those “domiciled” within the limits of the municipality. That is why it is called the INTERNAL Revenue Service: Because it is INTERNAL to the District of Columbia:

[TITLE 26](#) > [Subtitle F](#) > [CHAPTER 79](#) > Sec. 7701. [*Internal Revenue Code*]

[Sec. 7701. - Definitions](#)

(a) *When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—*

(9) *United States*

The term “United States” when used in a geographical sense includes only the [States](#) and the District of Columbia.

(a)(10): *State*

The term “State” shall be construed to include the District of Columbia, where such construction is necessary to carry out provisions of this title.

- Of the interpretation of the meaning of the above definitions, the U.S. Supreme Court has said:

“When a statute includes an explicit definition, we must follow that definition, even if it varies from that term’s ordinary meaning. Meese v. Keene, 481 U.S. 465, 484-485 (1987) (“It is axiomatic that the statutory definition of the term excludes unstated meanings of that term”); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 (“As a rule, ‘a definition which declares what a term ‘means’ . . . excludes any meaning that is not stated”); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read “as a whole,” post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General’s restriction -- “the child up to the head.” Its words, “substantial portion,” indicate the contrary.”

[\[Stenberg v. Carhart, 530 U.S. 914 \(2000\)\]](#)

Nature of I.R.C. Subtitle A

- *"It is axiomatic that the statutory definition of the term excludes unstated meanings of that term. Colautti v. Franklin, 439 U.S. 379, 392, and n. 10 (1979). Congress' use of the term "propaganda" in this statute, as indeed in other legislation, has no pejorative connotation.{19} As judges, it is our duty to [481 U.S. 485] construe legislation as it is written, not as it might be read by a layman, or as it might be understood by someone who has not even read it."*
[*\[Meese v. Keene, 481 U.S. 465, 484 \(1987\)\]*](#)
- If the IRS wants to argue with you about the above definition, then hand them the following and ask them to rebut the questions at the end:
Legal Deception, Propaganda, and Fraud, Form #05.014
<http://sedm.org/Forms/FormIndex.htm>
- I.R.C. Subtitle A applies mainly to:
 - “U.S. Persons” as defined under [26 U.S.C. §7701\(a\)\(30\)](#), all of whom have a “domicile” in the District of Columbia. This includes:
 - » “residents”, who are all “aliens” of the federal zone and excludes land within states of the Union not under exclusive federal jurisdiction. These people file form 1040. See [IRS Document 7130](#) for proof
 - » “U.S. citizens” working abroad and outside of states of the Union, under [26 U.S.C. §911](#). These people file form 1040 plus form 2555. See [IRS Document 7130](#) for proof
 - “Nonresident aliens” with taxable income originating from within the District of Columbia under [26 U.S.C. §871](#).
- If people in states of the Union file under I.R.C. Subtitle A, the proper form to use is the 1040NR, **not the 1040**, and report income from the federal zone that is:
 - Connected with a “trade or business” under [26 U.S.C. §871\(b\)](#), which is defined in [26 U.S.C. §7701\(a\)\(26\)](#) as “the functions of a public office”.
 - Not connected under [26 U.S.C. §871\(a\)](#). This is called “effectively connected”.
- A “nonresident alien” may elect to file a 1040, but has elected to be treated as a “resident” under [26 U.S.C. §6013\(g\)](#) and [26 U.S.C. §7701\(b\)\(4\)\(B\)](#): BAD IDEA!
- The I.R.C. describes taxation for two mutually exclusive territorial jurisdictions. The two following slides summarize these jurisdictions

Dual Nature of the I.R.C.

#	Description	Legislative jurisdiction	
		“National government” of the District of Columbia	“Federal government” of the states of the Union
1	Constitutional authority for revenue collection	Article 1, Section 8 , Clause 1 Article 1, Section 8 , Clause 17	Article 1, Section 8 , Clause 3
2	Type of jurisdiction exercised	Plenary Exclusive	Subject matter
3	Nature of tax	Indirect excise tax upon privileges of public office	Indirect excise tax on <u>imports only</u> Excludes <u>exports from states</u> (<u>Constitution 1:9:5</u>) Excludes commerce exclusively <u>within states</u>
4	Taxable objects	<i>Internal</i> to the Federal zone or internal to the federal government	<i>External</i> to the states of the Union (imports coming in)
5	Region to which collections apply	<u>Federal zone and abroad and excluding states of the Union</u> : District of Columbia, territories and possessions of the United States and abroad. See 26 U.S.C. §911	The 50 states, harbors, ports of entry for imports
6	Revenue Collection Agency	Internal Revenue Service (IRS)	U.S. Customs (Dept. of the Treasury)
7	Authority for collection within the Internal Revenue Code	Subtitle A: Income Taxes Subtitle B: Estate and Gift taxes Subtitle C: Employment taxes Subtitle E: Alcohol, Tobacco, and Certain Other Excise Taxes	Subtitle D: Miscellaneous Excise Taxes
8	Revenue collection applies to	“Public officers” engaged in a “trade or business” as defined in 26 U.S.C. §7701(a)(26) .	Federal corporations involved in foreign commerce

Dual Nature of the I.R.C. (cont.)

#	Description	Legislative jurisdiction	
		"National government" of the District of Columbia	"Federal government" of the states of the Union
		"U.S. persons" under 26 U.S.C. §7701(a)(30) living temporarily abroad in receipt of federal payments as described in 26 U.S.C. §911 .	
9	Taxable "activities"	<ol style="list-style-type: none"> "trade or business", which is defined as "the functions of a public office" in 26 U.S.C. §7701(a)(26), conducted within the "District of Columbia" which is defined as the "United States" in 26 U.S.C. §7701(a)(9) and (a)(10). Transfer of property from people who died in the federal zone to their heirs (I.R.C. Subtitle B). 	Foreign Commerce under 26 U.S.C. §7001 and Constitution Article 1, Section 8 , Clause 3.
10	Revenues pay for	Socialism/communism	Protection of states of the Union, including military, courts, and jails.
11	Revenue collection functions like	Municipal/state government income tax	Federal tax on foreign commerce
12	Definition of the term "United States" found in	<ol style="list-style-type: none"> 26 U.S.C. §7701(a)(9) and (a)(10) 26 U.S.C. §3121(e) 	26 U.S.C. §4612
13	Example "taxes"	<ol style="list-style-type: none"> W-4 withholding on federal "employees" Estate taxes Social security Medicare Alcohol, tobacco, and firearms under U.S.C. Title 27 	Taxes on imported fuels
14	Applicable tax forms	941, 1040, 1040NR, 1120, W-2, W-4	CF 6084 (customs bill)

“Taxable Income”

- Described in [26 U.S.C. §863\(a\)](#).

[TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter N](#) > [PART I](#) > Sec. 863.
[Sec. 863](#). - Special rules for determining source

(a) Allocation under regulations

Items of gross income, expenses, losses, and deductions, other than those specified in sections 861(a) and 862(a), shall be allocated or apportioned to sources within or without the United States, under regulations prescribed by the Secretary. Where items of gross income are separately allocated to sources within the United States, there shall be deducted (for the purpose of computing the taxable income therefrom) the expenses, losses, and other deductions properly apportioned or allocated thereto and a ratable part of other expenses, losses, or other deductions which cannot definitely be allocated to some item or class of gross income. The remainder, if any, shall be included in full as taxable income from sources within the United States.

- [26 U.S.C. §861](#) describes taxable sources within the [federal] “[United States](#)”
- [26 U.S.C. §862](#) describes “taxable sources” outside the [federal] “[United States](#)”
- The only taxable “sources” from within the “[United States](#)” are identified in [26 C.F.R. §1.861-8\(f\)\(1\)](#).
- [26 C.F.R. § 1.862-1\(b\)](#) says to use the same [26 C.F.R. §1.861-8\(f\)](#) to compute income from sources “without the [United States](#)” also

“Taxable income” (cont.)

- Taxable “sources” of income under [26 C.F.R. §1.861-8\(f\)\(1\)](#) include:
 - DISC and FSC income
 - Income connected with a “[trade or business](#)”
 - Foreign base company income
 - Other operative sections identified in [26 C.F.R. §1.861-8\(f\)\(1\)\(vi\)](#)
 - » [58\(g\)](#): Foreign source items of tax preference
 - » [901\(e\)](#): Foreign mineral income
 - » [931](#): Those in receipt of benefits of tax credit
 - » [933](#): Exclusion of income from Puerto Rico
 - » [934](#): Limitation on maximum reduction in income tax liability in Virgin Islands
 - » [935](#): Income derived from Guam by an individual who is subject to section 935
 - » [941](#): Special deduction granted to China Trade Act
 - » [952\(b\)](#): amount of certain U.S. source income excluded from the Subpart F income of a controlled foreign corporation
 - » [953\(b\)\(5\)](#): amount of income from the insurance of U.S. risks
 - » [999](#): international boycott factor and the specifically attributable taxes and income
- Important thing to remember is that there are only two types of income that are “taxable” or “[gross income](#)”:
 - Income from “foreign commerce”, under [Article 1, Section 8](#), Clauses 1 and 3
 - Income “effectively connected with a trade or business in the [United States](#)”, which means income derived from a public office. See [26 U.S.C. §7701\(a\)\(26\)](#) for definition of “trade or business” and [26 C.F.R. § 1.861-8\(f\)\(1\)\(iv\)](#) for the only taxable source of income to human beings

“Taxable income” (cont.)

- The two types of taxable income are clearly shown in IRS publications:
 - The [IRS 1040 booklet for 2001](#) on p. 20 under the title “Income” only lists:
 - » “Foreign-source income”
 - » “Wages” under I.R.C. Subtitle C-which is income subject to a “voluntary withholding agreement” under [26 C.F.R. §31.3401\(a\)-3](#) and originating from a “public office” in the District of Columbia
 - Click below to see the above 1040 booklet for yourself!
<http://famguardian.org/TaxFreedom/Forms/IncomeTaxRtn/Federal/IRSForm1040Instr.pdf>
 - If you write the IRS Disclosure office and ask them for the right form to use for people who don’t work for the government and are private workers with no trade or business earnings, they will tell you:
 - » “We have no documents responsive to your request”
 - [Treasury Order 150-01](#) says in paragraph 3 that:

*3. U.S. Territories and Insular Possessions. The Commissioner of Internal Revenue shall, to the extent of authority vested in the Commissioner, **provide for the administration of the United States internal revenue laws in the U.S. territories and insular possessions and other areas of the world.***
 - Notice the above [Treasury Order 150-01](#) does not mention states of the Union, and by the rules of statutory construction, that which is not explicitly included is excluded.

Federal Filing Status for Individuals

Description	CONDITION		
	Domicile WITHIN the FEDERAL ZONE and located in FEDERAL ZONE	Domicile WITHIN the FEDERAL ZONE and temporarily located abroad in foreign country	Domicile WITHOUT the FEDERAL ZONE and located WITHOUT the FEDERAL ZONE
Location of domicile	"United States" per 26 U.S.C. §§7701(a)(9) and (a)(10) , 7701(a)(39) , 7408(d)	"United States" per 26 U.S.C. §§7701(a)(9) and (a)(10) , 7701(a)(39) , 7408(d)	Without the "United States" per 26 U.S.C. §§7701(a)(9) and (a)(10) , 7701(a)(39) , 7408(d)
Physical location	Federal territories, possessions, and the District of Columbia	Foreign nations ONLY (NOT states of the Union)	Foreign nations States of the Union Federal possessions
Tax Status	"U.S. Person" 26 U.S.C. §7701(a)(30)	"U.S. Person" 26 U.S.C. §7701(a)(30)	"Nonresident alien individual" if a public officer in the U.S. government. "Non-resident NON-person" if NOT a public officer in the U.S. government.
Tax form(s) to file	IRS Form 1040	IRS Form 1040 plus 2555	IRS Form 1040NR: "alien individuals", "nonresident alien individuals" No filing requirement: "non-resident NON-person"
Status if DOMESTIC "national of the United States**"	"national and citizen of the United States** at birth" per 8 U.S.C. §1401 and "citizen of the United States***" per 8 U.S.C. §1101(a)(22)(B) if born in a federal territory. (Not required to file if physically present in the "United States" because no statute requires it)	Citizen abroad 26 U.S.C. §911 (Meets presence test)	"non-resident" if born in a state of the Union. 8 U.S.C. §1408 , 8 U.S.C. §1452 , and 8 U.S.C. §1101(a)(22)(B) if born in a state of the Union if born in a possession.
Status if FOREIGN "national" pursuant to 8 U.S.C. §1101(a)(21)	"Resident alien" 26 U.S.C. §7701(b)(1)(A)	"Resident alien abroad" 26 U.S.C. §911 (Meets presence test)	"Nonresident alien individual" if a public officer in the U.S. government. "Non-resident NON-person" if NOT a public officer in the U.S. government.

Federal Filing Status for Individuals (cont.)

- **NOTES:**

1. “United States” is defined as the “District of Columbia” and no part of any state of the Union within [26 U.S.C. §§7701\(a\)\(9\) and \(a\)\(10\)](#), [7701\(a\)\(39\)](#), and [7408\(d\)](#) and 4 U.S.C. §110(d).
2. The “District of Columbia” is defined as a federal corporation but not a physical place, a “body politic”, or a de jure “government” within the District of Columbia Act of 1871, 16 Stat. 419, 426, Sec. 34. See:
Corporatization and Privatization of the Government, Form #05.024
<http://sedm.org/Forms/FormIndex.htm>.
3. “nationals” of the United States of America who are domiciled outside of federal jurisdiction, either in a state of the Union or a foreign country, are “nationals” but not “citizens” under federal law. See:
Why You Are a Political Citizen but Civil Non-Citizen, National, and Nonresident Alien, Form #05.006
<http://sedm.org/Forms/FormIndex.htm>
4. Temporary domicile in the middle column on the right must meet the requirements of the “Presence test” documented in IRS publications.
5. “FEDERAL ZONE”=District of Columbia and territories of the United States
6. All “nationals but not citizens” above in the right column are also classified as “nonresident aliens” under [26 U.S.C. §7701\(b\)\(1\)\(B\)](#) if they are serving as public officers.
7. The term “[individual](#)” as used on the IRS form 1040 means an “[alien](#)” engaged in a “[trade or business](#)”. All “taxpayers” are “aliens” engaged in a “trade or business”. This is confirmed by [26 C.F.R. §1.1441-1\(c\)\(3\)](#), 26 C.F.R. §1.1-1(a)(2)(ii), and [5 U.S.C. §552a\(a\)\(2\)](#). Statutory “[U.S. citizens](#)” as defined in [8 U.S.C. §1401](#) are not “[individuals](#)” unless temporarily abroad pursuant to [26 U.S.C. §911](#) and subject to an income tax treaty with a foreign country. In that capacity, statutory “[U.S. citizens](#)” interface to the I.R.C. as “aliens” rather than “U.S. citizens” through the tax treaty.

IRS Form 1040: WRONG FORM!

- Only for use by “citizens and residents” of the “[United States](#)” (public offices in the national government). See IRS Published Products Catalog, Document 7130

1040A 11327A Each

U.S. Individual Income Tax Return

Annual income tax return filed by citizens and residents of the United States. There are separate instructions available for this item. The catalog number for the instructions is 12088U.

W:CAR:MP:FP:F:I Tax Form or Instructions

[2003 IRS Published Products Catalog, p. F-15;

SOURCE: <http://famguardian.org/TaxFreedom/Forms/IRS/IRSDoc7130.pdf>]

- The “U.S. Individual” described in the upper left corner is a government employee or instrumentality who has a [domicile](#) in the District of Columbia AND who is a “[resident](#)” but not a “[citizen](#)”. See [5 U.S.C. §552a\(a\)\(2\)](#) and [26 C.F.R. §1.1441-1\(c\)\(3\)](#):

[TITLE 5 - GOVERNMENT ORGANIZATION AND EMPLOYEES](#)

[PART I - THE AGENCIES GENERALLY](#)

[CHAPTER 5 - ADMINISTRATIVE PROCEDURE](#)

[SUBCHAPTER II - ADMINISTRATIVE PROCEDURE](#)

[§552a Records maintained on individuals](#)

(a)(2) the term “individual” means a citizen of the [United States](#) or an alien lawfully admitted for permanent residence;

- Note the above definition is in Title 5, which is “Government Organization and Employees”. All “[individuals](#)” are “public officers” who work for the government.
- The term “[individual](#)” is nowhere defined in 26 U.S.C. because the government doesn’t want you to know what it means. [26 C.F.R. §1.1441-1\(c\)\(3\)](#) defines it as an “alien”. Nowhere does the definition include “[citizens](#)”.

IRS Form 1040: WRONG FORM! (cont)

- Those who are not “[public officers](#)” or federal “[employees](#)” cannot truthfully describe themselves as “[individuals](#)”!
- The only type of earnings you can put on an IRS form 1040 are earnings connected with a “[trade or business](#)”. This is proved in [26 U.S.C. §864](#)(c)(3)
- If you are a “[nonresident alien](#)” or a “non-resident non-person”, then you can’t truthfully file the 1040 and must instead file the 1040NR or 1040NR-EZ. If you do, you’re making an “election” to be treated as a “[resident](#)” and an “alien” under:
 - [26 U.S.C. §6013](#)(g)
 - [26 U.S.C. §7701](#)(b)(4)(B)
- It is UNLAWFUL for a “nonresident alien” who is NOT married to a “U.S. person” to make such an election. Nowhere in the I.R.C. is such an election authorized

IRS Form 1040: WRONG FORM! (cont)

- The I.R.C. treats “[U.S. citizens](#)” under [8 U.S.C. §1401](#) as “aliens” coming under a tax treaty with a foreign country when they are abroad. See:
 - [26 C.F.R. §1.1-1\(a\)\(2\)\(ii\)](#): Defines all “[taxpayers](#)” ONLY as “aliens” with income connected to a “[trade or business](#)”
 - [26 U.S.C. §911](#): Imposes an income tax on “[U.S. persons](#)” ONLY when they are abroad. Nowhere else are they required to pay a tax. All “[U.S. persons](#)” have a legal “[domicile](#)” in the District of Columbia and NOT in a state of the Union
 - [Cook v. Tait, 265 U.S. 47 \(1924\)](#): Supreme Court authorized the imposition of income taxes on statutory “citizens of the United States” under [8 U.S.C. §1401](#), but ONLY WHEN ABROAD
- **WATCH OUT!**

How “nonresidents” become “residents”

- We covered earlier that most people in states of the Union are “[nonresidents](#)”
- We also showed that the main taxable activity is a “[trade or business](#)”, which is defined in [26 U.S.C. §7701\(a\)\(26\)](#) as
“the functions of a public office”
- Those who are engaged in a “[trade or business](#)” are treated as “[residents](#)” of the District of Columbia, which is what the “United States” is defined as in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10)!
 - Those engaged in a “[trade or business](#)” hold “public office”. [4 U.S.C. §72](#) places all public offices exclusively in the District of Columbia
 - Those engaged in a “[public office](#)” are representing a federal corporation called the “[United States](#)”. This corporation is a statutory “[U.S. citizen](#)” and therefore they are statutory “[U.S. citizens](#)” while exercising the duties of their public office. This is confirmed by [Federal Rule of Civil Procedure 17\(b\)](#)
 - [26 U.S.C. §7701\(a\)\(39\)](#) moves the effective domicile of all “[U.S. persons](#)” to the District of Columbia, for the purposes of court jurisdiction
 - [26 U.S.C. §7408\(d\)](#) moves the effective domicile of “[U.S. persons](#)” to the District of Columbia in the context of abusive tax shelters

How “nonresidents” become “residents”

- [26 C.F.R. §301.7701-5](#) (older version) proves that the excise taxable privileged activity of being engaged in a “[trade or business](#)” makes one into a “resident”, even if they are otherwise a “nonresident alien”. Watch out!:

[26 C.F.R. §301.7701-5 Domestic, foreign, resident, and nonresident persons.](#)

A domestic corporation is one organized or created in the United States, including only the States (and during the periods when not States, the Territories of Alaska and Hawaii), and the District of Columbia, or under the law of the United States or of any State or Territory. A foreign corporation is one which is not domestic. A domestic corporation is a resident corporation even though it does no business and owns no property in the United States. A foreign corporation engaged in trade or business within the United States is referred to in the regulations in this chapter as a resident foreign corporation, and a foreign corporation not engaged in trade or business within the United States, as a nonresident foreign corporation. A partnership engaged in trade or business within the United States is referred to in the regulations in this chapter as a resident partnership, and a partnership not engaged in trade or business within the United States, as a nonresident partnership. Whether a partnership is to be regarded as resident or nonresident is not determined by the nationality or residence of its members or by the place in which it was created or organized.

[Amended by T.D. 8813, Federal Register: February 2, 1999 (Volume 64, Number 21), Page 4967-4975]

How “nonresidents” become “residents”

- If you want to protect your status as a “non-resident Non-person”, you must:
 - Not make any “elections” (e.g. “contracts”) to be treated as a “resident” under
 - » [26 U.S.C. §6013](#)(g) or (h).
 - » [26 U.S.C. §7701](#)(b)(4)(B).
 - » [26 C.F.R. §1.871-1](#)(a).
 - » The Foreign Sovereign Immunities Act, [28 U.S.C. §1605](#)(a)(2),
 - File the 1040NR form instead of the 1040 if you file returns at all
 - Faithfully and consistently and timely rebut all false Information Returns, such as the W-2, 1042-S, 1098, and 1099
- If you don’t do the above, you will be:
 - “presumed” to be a “resident” and illegally be treated AS IF you maintain a domicile on federal territory
 - Unwittingly get sucked into becoming a “taxpayer” who is subject to the Internal Revenue Code

How do “non-resident non-persons” become “nonresident aliens” and “individuals”

- A non-resident non-person is a **PRIVATE** human.
- One transitions from **PRIVATE** to **PUBLIC** by:
 - Accepting a public office in the U.S. government. . .OR
 - Representing an entity that is a public office in the U.S. government, such as a federal corporation. Federal Rule of Civil Procedure 17(b) requires that those representing federal corporations assume the same domicile as the corporation, which is the District of Columbia. . .OR
 - Requesting and subsequently using government property or “benefits”. The government has jurisdiction over its property wherever it is situated. See:

Why the Federal Income Tax is a Privilege Tax Upon Government Property, Form #04.404** (Member Subscriptions)
<https://sedm.org/product/why-the-federal-income-tax-is-a-privilege-tax-on-government-property-form-04-404/>
 - Using an “Individual Taxpayer Identification Number” (ITIN) in connection with an otherwise **PRIVATE** activity **WHEN MANDATED** by 26 C.F.R. §301.6109-1(b)(2). Use of government property such as the ITIN, SSN, or TIN creates a usually **FALSE** presumption that the party so using is both an “**INDIVIDUAL**” **AND** is engaged in the “trade or business” or “public office” excise taxable franchise described in 26 C.F.R. §301.6109-1(b)(2).

Information Returns

- An “Information Return” reports receipt of “[trade or business](#)” earnings
- The requirement for filing information returns originates from [26 U.S.C. §6041](#):
[TITLE 26](#) > [Subtitle F](#) > [CHAPTER 61](#) > [Subchapter A](#) > [PART III](#) > [Subpart B](#) > § 6041
[§ 6041. Information at source](#)

(a) Payments of \$600 or more

All persons engaged in a [trade or business](#) and making payment in the course of such trade or business to another person, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits, and income (other than payments to which section 6042 (a)(1), 6044 (a)(1), 6047 (e), 6049 (a), or 6050N (a) applies, and other than payments with respect to which a statement is required under the authority of section 6042 (a)(2), 6044 (a)(2), or 6045), of \$600 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by the regulations hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and in such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount of such gains, profits, and income, and the name and address of the recipient of such payment.

- Information returns include, but are not limited to, the W-2, 1042-S, 1098, and 1099
- Those who are not engaged in a “[public office](#)” cannot lawfully have any information returns filed against them, which is most Americans.
- If someone fills out a false information return against a person not engaged in a “public office” or a “trade or business”, the law provides
 - Civil standing to sue them for damages. [26 U.S.C. §7434](#)
 - A criminal remedy for “impersonating a public officer” in [18 U.S.C. §912](#)
 - A criminal remedy for filing false returns. [26 U.S.C. §7207](#)

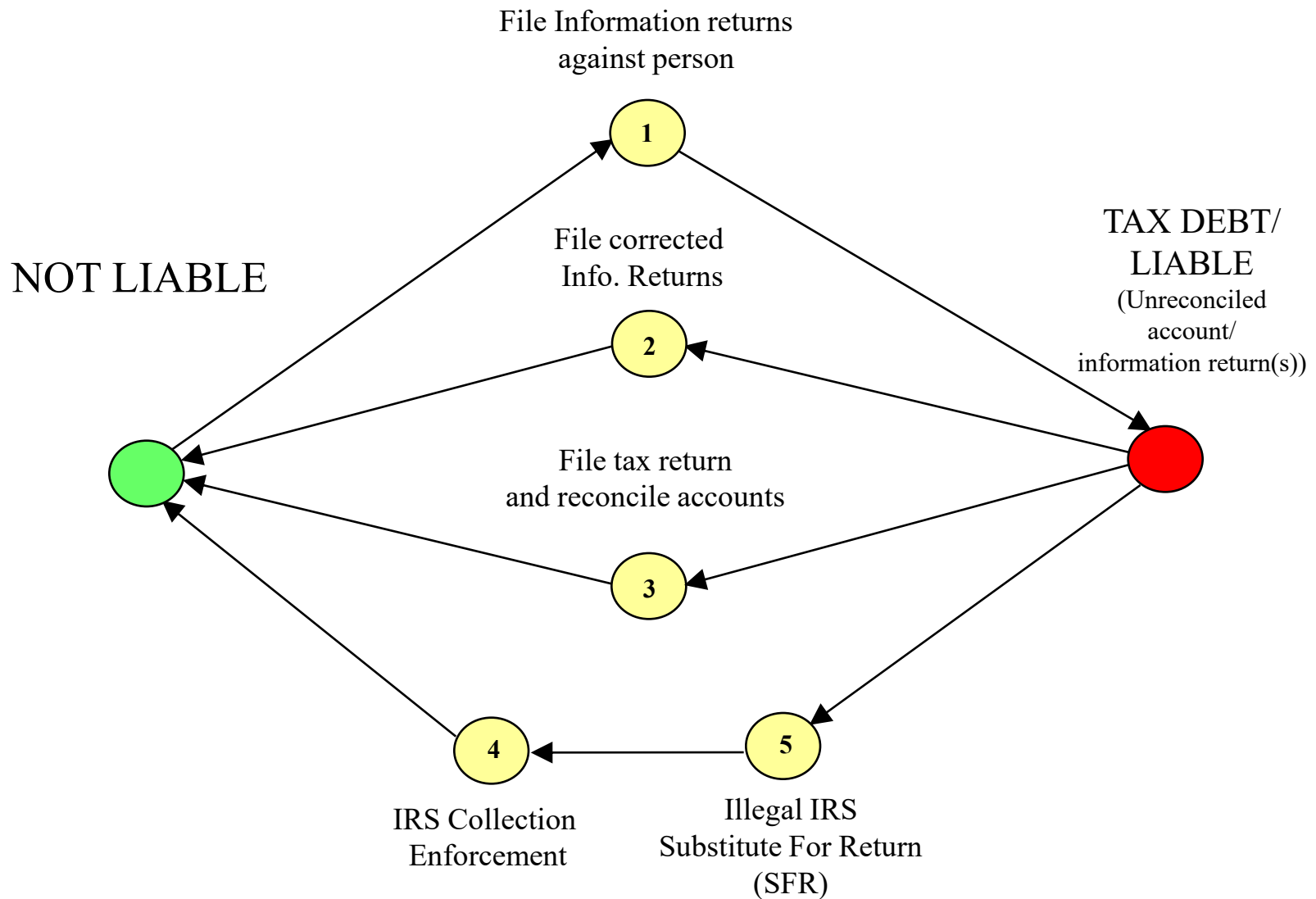
Information Returns (cont)

- False information returns filed by financial institutions and employers may be corrected and IRS publishes forms for doing this
- For details on tax withholding and reporting, see the following FREE resources:
 - *Income Tax Withholding and Reporting Course*, Form #12.004-Powerpoint presentation
<http://sedm.org/Forms/FormIndex.htm>
 - *Federal and State Withholding Options for Private Employers*, Form #04.101-Instruction manual
<http://sedm.org/Forms/FormIndex.htm>
 - *Federal Tax Withholding*, Form #04.102-abbreviated version of the above that you can hand to employers and business associates to educate them about the laws on withholding
<http://sedm.org/Forms/FormIndex.htm>
 - *Tax Withholding and Reporting: What the Law Says*, Form #04.103-summary sheet of all laws on withholding and reporting
<http://sedm.org/Forms/FormIndex.htm>
 - *Demand for Verified Evidence of “Trade or Business” Activity: Information Return*, Form #04.007-form you can hand employers and business associates which illustrates proper use of information returns
<http://sedm.org/Forms/FormIndex.htm>
 - Additional forms: SEDM FORMS PAGE, Sections 4, and 5
<http://sedm.org/Forms/FormIndex.htm>

The “Tax Loop”

- Information Returns create a prima facie presumption that you are a “[taxpayer](#)” with “gross income” who is liable under the I.R.C. IRS form 1042-S, in fact, labels all earnings it records as “gross income”.
- There are only three ways to discharge a prima facie liability:
 - Filing a tax return and balancing accounts is what removes that presumption of liability and restores you to no presumption of liability.
 - Filing corrected information returns
 - Allowing IRS to enforce payment through involuntary collections
- On the next page is how this process loop works

The “Tax Loop”



The “tax loop”: More Details

If you would like to know more about each specific numbered circle on the previous page, see:

2: Federal Response Letter Page, Section 4.2

<http://sedm.org/SampleLetters/Federal/FedLetterAndNoticeIndex.htm>

3: Example Tax Statement (which emphasizes “nontaxpayer” status)

Federal Nonresident Nonstatutory Claim for Return of Funds Unlawfully Paid to the Government-Long, Form #15.001

<http://sedm.org/Forms/FormIndex.htm>

4: Illegal Collection Enforcement

- *Why Penalties are Illegal for Anything but Federal Employees, Contractors, and Agents*, Form #05.010

<http://sedm.org/Forms/FormIndex.htm>

5: Illegal Substitute For Returns (SFRs)

- Cites By Topic: Substitute for Returns
<http://famguardian.org/TaxFreedom/CitesByTopic/SubsForReturn.htm>
- *Why the Government Can’t Lawfully Assess Human Beings with an Income Tax Liability Without Their Consent*, Form #05.011
<http://sedm.org/Forms/FormIndex.htm>

Correcting False Information Returns

- Financial Institutions and private employers frequently file false information returns against others
- We have instructions on how to correct erroneous information returns in the case of people who are not engaged in a “[trade or business](http://sedm.org/Forms/FormIndex.htm)” or “public office”. These are available below:
 - Correcting Erroneous Information Returns, Form #04.001: Condenses the following four documents into one with additional information
<http://sedm.org/Forms/FormIndex.htm>
 - Correcting Erroneous IRS Form 1042's, Form #04.003:
<http://sedm.org/Forms/FormIndex.htm>
 - Correcting Erroneous IRS Form 1098's, Form #04.004:
<http://sedm.org/Forms/FormIndex.htm>
 - Correcting Erroneous IRS Form 1099's, Form #04.005:
<http://sedm.org/Forms/FormIndex.htm>
 - Correcting Erroneous IRS form W-2's, Form #04.006:
<http://sedm.org/Forms/FormIndex.htm>
 - If you want to eliminate false W-2 reporting and remove false information return reporting against you in your private employment, the following free resource can be very helpful:
 - Federal and State Tax Withholding Options for Private Employers, Form #04.101:
Describes laws on withholding
<http://sedm.org/Forms/FormIndex.htm>
 - Demand for Verified Evidence of “[Trade or Business](http://sedm.org/Forms/FormIndex.htm)” Activity: Information Return, Form #04.007: educates private employers about Information Reporting and requires them to obey the tax code (franchise)
<http://sedm.org/Forms/FormIndex.htm>

Don't Commit Fraud on Government Forms

- **NEVER, EVER** commit perjury or lie on a government form
- **Committing perjury on government forms is a serious offense:**
 - **[26 U.S.C. §7206](#)** makes fraud on a government form punishable with up to 3 years in jail and up to a \$100,000 fine.
 - **[18 U.S.C. §1621](#)** makes perjury punishable by up to five years in jail and a fine.
- **The purpose of showing you what the law says is to prevent, not encourage, fraud on government forms**

Lawful Enforcement Authority

- Requires Implementing Regulations for general public. See:
 - [44 U.S.C. §1505\(a\)](#)
 - [5 U.S.C. §552\(a\)\(1\)](#)
 - [5 U.S.C. §553\(a\)\(2\)](#)
 - [31 C.F.R. §1.3\(a\)\(4\)](#)
 - [26 C.F.R. §601.702\(a\)\(2\)\(ii\)](#)
- Does not require implementing regulations ONLY in the case of federal officers, agents, employees, and property:
 - [44 U.S.C. §1505\(a\)\(1\)](#):
[TITLE 44 > CHAPTER 15 > § 1505](#)
[§ 1505. Documents to be published in Federal Register](#)
 - (a) Proclamations and Executive Orders; Documents Having General Applicability and Legal Effect; Documents Required To Be Published by Congress. There shall be published in the Federal Register— (1) Presidential proclamations and Executive orders, **except those not having general applicability and legal effect or effective only against Federal agencies or persons in their capacity as officers, agents, or employees thereof;**
 - (2) documents or classes of documents that the President may determine from time to time have general applicability and legal effect; and
 - (3) documents or classes of documents that may be required so to be published by Act of Congress.
For the purposes of this chapter every document or order which prescribes a penalty has general applicability and legal effect.
- Only applicable within the territorial jurisdiction of the federal government, which means:
 - The “federal zone”: Washington D.C., and federal territories and possessions
 - Admiralty/maritime jurisdiction
 - Against domiciliaries of the United States** (federal territory) when abroad. [26 U.S.C. §911](#).
- The “taxes” imposed under [26 U.S.C. §1](#) and [26 U.S.C. §871](#) have NO IMPLEMENTING REGULATIONS published in the Federal Register authorizing enforcement. Therefore:
 - They can only be enforced against federal employees, officers, and agents or against those engaged in a “public office” (“[trade or business](#)”) acting on official duty. See [44 U.S.C. §1505\(a\)](#) and [5 U.S.C. §553\(a\)](#)
 - They may not be enforced in states of the Union or outside of exclusive federal jurisdiction

Illegal Enforcement of Income Taxes

- Because Subtitle A of the Internal Revenue Code is “voluntary” for persons domiciled in states of the Union who are “nontaxpayers” and who are not engaged in a “trade or business”, then:
 - The IRS cannot institute enforcement actions (called “distrain”) against anyone but “public officers” found in 26 U.S.C. §6331(a), 26 U.S.C. §6671(b), and 26 U.S.C. §7343.
 - There are no implementing regulations published in the Federal Register authorizing enforcement actions within states of the Union against the general public. See:
 - » IRS Due Process Hearing Worksheet, Form #03.008:
<http://sedm.org/Forms/FormIndex.htm>
 - » Great IRS Hoax, Form #11.302, sections 5.4 through 5.4.27.7
 - No one can force you to sign or submit a tax return under Subtitle A. The IRS Internal Revenue Manual section 5.1.11.7.7 says IRS form 1040 “Substitute For Returns” are NOT authorized and therefore illegal.
- Enforcement actions include:
 - Assessment authority: There are not implementing regulations that authorize assessment using form 1040 for the tax imposed under Sections 1 and 871 of the I.R.C.
 - Liens: IRS doesn’t issue REAL liens. They issue “Notice of Liens” on Form 668(Y)(c). Since the form is not signed by a judge as required by the Fifth Amendment, it need not be honored by its recipient.
 - Levies: IRS also doesn’t issue REAL levies. They issue a “Notice of Levy” on a form 668-A(c)(DO). Since the form is not signed by a judge as required by the Fifth Amendment, it need not be honored by its recipient. It is only honored out of fear and ignorance by its recipient, but not out of a genuine legal requirement to obey.
 - Criminal prosecution: There are no implementing regulations for tax crimes and no federal agency with jurisdiction to investigate or prosecute them. These crimes only apply to federal employees on official business, but have been mis-enforced to apply to private Americans who are not said employees, for which a civil rights action is warranted against the perpetrators. See Great IRS Hoax, Form #11.302, section 5.4.7.

Illegal Enforcement of Income Taxes

- The [Treasury Organization Chart](http://famguardian.org/Subjects/Taxes/Research/TreasOrgHist/TreasOrgHist.htm) reveals that the IRS is not an enforcement agency, because it does not fall under the “Undersecretary for Enforcement”. See:
<http://famguardian.org/Subjects/Taxes/Research/TreasOrgHist/TreasOrgHist.htm>
- The IRS has no positive law statutory or regulatory authority to operate outside of the federal zone and abroad ([26 U.S.C. §911](#)) for [Subtitle A](#) income taxes. Since the states of the Union are not explicitly mentioned in the I.R.C., then they are excluded by implication.
 - See definition of “[United States](#)” found in [26 U.S.C. §7701](#)(a)(9) and (a)(10)
 - [Legal Deception, Propaganda, and Fraud](#), Form #05.014
<http://sedm.org/Forms/FormIndex.htm>
- IRS has no enforcement authority against *other than* federal instrumentalities and “public officers” because:
 - [4 U.S.C. §72](#) requires all “public offices” to be in the District of Columbia and not elsewhere except as “expressly authorized” in enacted law by Congress
 - I.R.C. Subtitle A is primarily upon “public offices”, nearly all of which are in the District of Columbia with very few exceptions
 - [26 U.S.C. §7601](#) authorizes the IRS to canvass internal districts for “all persons therein who may be liable to pay any internal revenue tax “
 - There are no “internal revenue districts” anyplace but the District of Columbia. See [26 U.S.C. §7621](#), [Executive Order 10289](#), and Treasury Orders [150-02](#) and [150-10](#)
 - No enforcement regulations published in the Federal Register under [part 1 of 26 CFR](#), which is the “income tax”. See the following for a list of missing enforcement regulations:
[IRS Due Process Meeting Handout](#), Form #03.008
<http://sedm.org/Forms/FormIndex.htm>

Illegal Enforcement of Income Taxes

- The Federal Register Act, [44 U.S.C. §1505](#)(a), and the Administrative Procedures Act, [5 U.S.C. §553](#)(a), both say that statutes that have no implementing regulations published in the Federal Register cannot impose any enforcement penalty against the general public for noncompliance
- All employees, including collection employees, have administrative, rather than enforcement, pocket commissions. See <http://famguardian.org/Subjects/Taxes/ChallJurisdiction/PocketComm/PocketComm.htm>
- No jurisdiction to enforce criminal provisions of the I.R.C. outside of the federal zone and admiralty/maritime jurisdiction:

"It is no longer open to question that the general government, unlike the states, Hammer v. Dagenhart, [247 U.S. 251, 275](#), 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation."

[Carter v. Carter Coal Co., [298 U.S. 238](#), 56 S.Ct. 855 (1936)]

- IRC Subtitle A is "[special law](#)" and "private law" that only applies to "public officers" or "private individuals" who have explicitly consented or "elected" to be treated as "public officers" engaged in a "trade or business". The Constitution does not authorize the regulation of "private conduct" of persons in states of the Union who are NOT "public officers":

"The power to 'legislate generally upon' life, liberty, and property, as opposed to the 'power to provide modes of redress' against offensive state action [by 'public officers']", was 'repugnant' to the Constitution. Id., at 15. See also United States v. Reese, [92 U.S. 214, 218](#) (1876); United States v. Harris, [106 U.S. 629, 639](#) (1883); James v. Bowman, [190 U.S. 127, 139](#) (1903). Although the specific holdings of these early cases might have been superseded or modified, see, e.g., Heart of Atlanta Motel, Inc. v. United States, [379 U.S. 241](#) (1964); United States v. Guest, [383 U.S. 745](#) (1966), their treatment of Congress' §5 power as corrective or preventive, not definitional, has not been questioned."

[City of Boerne v. Flores, Archbishop of San Antonio, [521 U.S. 507](#) (1997)]

Why IRS Enforcement is Lawful Against Government Entities

- “Public employees”, “public officials”, and “public officers” have no Constitutional rights in the context of their official duties:

“The restrictions that the Constitution places upon the government in its capacity as lawmaker, i.e., as the regulator of private conduct, are not the same as the restrictions that it places upon the government in its capacity as employer. We have recognized this in many contexts, with respect to many different constitutional guarantees. Private citizens perhaps cannot be prevented from wearing long hair, but policemen can. Kelley v. Johnson, 425 U.S. 238, 247 (1976). Private citizens cannot have their property searched without probable cause, but in many circumstances government employees can. O'Connor v. Ortega, 480 U.S. 709, 723 (1987) (plurality opinion); id., at 732 (SCALIA, J., concurring in judgment). Private citizens cannot be punished for refusing to provide the government information that may incriminate them, but government employees can be dismissed when the incriminating information that they refuse to provide relates to the performance of their job. Gardner v. Broderick, [497 U.S. 62, 95] 392 U.S. 273, 277 -278 (1968). With regard to freedom of speech in particular: Private citizens cannot be punished for speech of merely private concern, but government employees can be fired for that reason. Connick v. Myers, 461 U.S. 138, 147 (1983). Private citizens cannot be punished for partisan political activity, but federal and state employees can be dismissed and otherwise punished for that reason. Public Workers v. Mitchell, 330 U.S. 75, 101 (1947); Civil Service Comm'n v. Letter Carriers, 413 U.S. 548, 556 (1973); Broadrick v. Oklahoma, 413 U.S. 601, 616 -617 (1973).”

[Rutan v. Republican Party of Illinois, 497 U.S. 62 (1990)]

- Those engaged in a “[trade or business](#)” hold a “[public office](#)” and are therefore “public employees” or federal “contractors”. See [26 U.S.C. §7701\(a\)\(26\)](#) and :

Why Your Government is Either A Thief or You Are a “Public Officer” for Income Tax Purposes, Form #05.008
<http://sedm.org/Forms/FormIndex.htm>

- “Public property” managed by public official contractors in the conduct of their duties belongs to the U.S. government

*“Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness;’ and to ‘secure,’ not grant or create, these rights, governments are instituted. That property [or income] which a man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it to his neighbor’s injury, and that does not mean that he must use it for his neighbor’s benefit; second, that **if he devotes it to a public use, he gives to the public a right to control that use;** and third, that whenever the public needs require, the public may take it upon payment of due compensation.*

[Budd v. People of State of New York, 143 U.S. 517 (1892)]

- The method by which the “public”, who are the “sovereign”, controls private property donated to a “public use” is through the Internal Revenue Code

Why IRS Enforcement is Lawful Against Government Entities

- IRS does not need enforcement regulations published in the Federal Register for federal instrumentalities such as “employees” and “public officers”. This is confirmed by:
 - [44 U.S.C. §1505\(a\)\(1\)](#)
 - [5 U.S.C. §553\(a\)](#)
 - [31 C.F.R. §1.3\(a\)](#)
 - [26 C.F.R. §601.702\(a\)\(1\)](#)
 - [26 C.F.R. §601.702\(a\)\(2\)\(ii\)](#).
- The requirement for publication of implementing regulations in the federal register originates from the Constitutional requirement for “[reasonable notice](#)” to the public of the laws they are expected to obey, as indicated in:
 - [31 C.F.R. §1.3\(a\)](#)
 - [Holden v. Hardy, 169 U.S. 366 \(1898\)](#)

“It is sufficient to say that there are certain immutable principles of justice which inhere in the very idea of free government which no member of the Union may disregard, as that no man shall be condemned in his person or property without due notice and an opportunity of being heard in his own defense.”

[Holden v. Hardy, 169 U.S. 366 (1898)]
 - [Powell v. Alabama, 287 U.S. 45 \(1932\)](#)

“It never has been doubted by this court, or any other, so far as we know, that notice and hearing are preliminary steps essential to the passing of an enforceable judgment, and that they, together with a legally competent tribunal having jurisdiction of the case, constitute basic elements of the constitutional requirement of due process of law. “

Why IRS Enforcement is Lawful Against Government Entities

- Publication in the Federal Register satisfies the requirement for “reasonable notice” because it incorporates a public notice and comment process prior to publication. See:
[Requirement for Reasonable Notice](http://sedm.org/Forms/FormIndex.htm), Form #05.022
<http://sedm.org/Forms/FormIndex.htm>
- It is **not** a violation of the [Fifth Amendment](#) for the U.S. government to reclaim “public property” that always was theirs, without payment of “just compensation”, because “[public officers](#)” are not protected by the [Fifth Amendment](#) in the context of their official duties. This is why the IRS can lawfully:
 - [Levy pay and benefits](#): Because they are actually federal property managed by “public officers” in the conduct of their official duties
 - [Lien chattel and real property](#): because IRS is recovering funds that have been mismanaged by a “public official” in the conduct of his/their official duties
- IRS and judges will try to convince you that the above is NOT the case, but they are LYING to maintain the flow of [plunder](#) into their checking account and their retirement account in violation of [28 U.S.C. §455](#), [28 U.S.C. §144](#), and [18 U.S.C. §208](#)

Why IRS Enforcement is Lawful Against Government Entities

- If you would like to know more about this, see:
 - Federal Enforcement Authority in States of the Union, Form #05.032
<http://sedm.org/Forms/FormIndex.htm>
 - Challenge to Income Tax Enforcement Authority Within Constitutional States of the Union, Form 05.052
<https://sedm.org/Forms/05-MemLaw/ChallengeToIRSEnforcementAuth.pdf>
 - Challenging Jurisdiction Worksheet, Form #09.082
<https://sedm.org/Forms/09-Procs/ChalJurWorksheet.pdf>
 - “Public v. Private Employment: You Really Work for Uncle Sam if You Receive Federal Benefits, Family Guardian Fellowship
<http://famguardian.org/Subjects/Taxes/Articles/PublicVPrivateEmployment.htm>
 - Resignation of Compelled Social Security Trustee, Form #06.002
<http://sedm.org/Forms/FormIndex.htm>

BOTTOM LINE

- If a judge or the IRS is calling you a “taxpayer”, they are making a “presumption” that you must rebut:
 - **WHAT THE GOVERNMENT WILL FREELY ADMIT:** “Defendant is a taxpayer”
 - **THE REST OF THE STORY:** “. . .because he mixed his private property, including his labor, his financial assets with government property in the form of the Social Security Number. 20 C.F.R. §422.103(d) says that number is the property of the government. It is illegal to use public property for a private use, because it’s called ‘embezzlement’. Because he did this and we give him the benefit of the doubt that he is not an embezzler who is engaged in criminal activity violative of 18 U.S.C. §641, then the only other thing we can assume is that he is a ‘public official’ on official business managing private property donated to a public use to procure the benefits and privileges of socialism, ‘social insurance’, and government idolatry.”
- If you use a government STATUTORY identifying number, then you’re a government entity. **DON’T USE GOVERNMENT STATUTORY NUMBERS! See:**
About SSNs/TINs on Government Forms and Correspondence, Form #05.012
<http://sedm.org/Forms/FormIndex.htm>
- If you act like a duck, quack like a duck, and waddle like a duck, then by golly YOU’RE A DUCK, regardless of what you say you are!
 - QUACK..QUACK...QUACK
- Keep on quacking. They illegally harass, threaten, and terrorize people who don’t want to quack!

HOWEVER: IRS Enforcement against other than “Public employees” or public officers or “public property” is ILLEGAL

- Those who do not hold a “[public office](#)” or who are not engaged in a “[trade or business](#)” and who have no earnings from the United States (government) may not lawfully be the target of IRS enforcement actions
- The property of those not engaged in a “[trade or business](#)” is NOT “public property” or property devoted to a “public use”. Therefore, it may not be administratively levied, liened, or taken from them in a court of law through due process without just compensation

“The individual may stand upon his constitutional rights as a citizen. He is entitled to carry on his private business in his own way [unregulated by the government]. His power to contract is unlimited. He owes no duty to the State or to his neighbor to divulge his business, or to open his doors to an investigation, so far as it may tend to criminate him. He owes no such duty to the State, since he receives nothing therefrom, beyond the protection of his life and property. His rights are such as existed by the law of the land long antecedent to the organization of the State, and can only be taken from him by due process of law, and in accordance with the Constitution. Among his rights are a refusal to incriminate himself, and the immunity of himself and his property from arrest or seizure except under a warrant of the law. He owes nothing to the public [including so-called “taxes” under Subtitle A of the I.R.C.] so long as he does not trespass upon their rights.”

[Hale v. Henkel, [201 U.S. 43](#), 74 (1906)]

How do you know what constitutes “public property” for the purposes of lawful liens and levies?

- Property devoted to a “public use” or a “public purpose” that may be lawfully levied under [26 U.S.C. §6331](#) without a court order and without violating the [Fifth Amendment](#) includes:
 - Earnings from labor that are the subject of a W-4 “voluntary withholding agreement under” [26 U.S.C. §3402\(p\)](#).
 - Financial accounts that were opened with a Social Security Number
 - Property against which tax deductions were taken under [26 U.S.C. §162](#). Only those engaged in a “[trade or business](#)” may take any kind of deduction. Nonresident aliens may not take any tax deductions on a 1040NR for any earnings not connected with a “[trade or business](#)”

Jurisdiction of Federal Courts Over Federal Income Taxes

- Federal District Courts have jurisdiction over all federal property, contracts, and franchises. This jurisdiction is conferred by [Article 4](#), Section 3, Clause 2 of the Constitution
- I.R.C. Subtitle A is:
 - “Private law” and “contract law”
 - A federal “franchise” that makes its “beneficiaries” into “public officers” engaged in a “[trade or business](#)”. See *The “Trade or Business” Scam*, Form #05.001 <http://sedm.org/Forms/FormIndex.htm>
- Information returns constitute prima facie evidence of involvement in the “[trade or business](#)” franchise. See [26 U.S.C. §6041](#)
- Use of a Social Security Number creates a prima facie presumption that you are engaged in this federal “[trade or business](#)” franchise. See:
Resignation of Compelled Social Security Trustee, Form #06.002 <http://sedm.org/Forms/FormIndex.htm>
- The Franchise Agreement consists of:
 - [26 U.S.C. Subtitle A](#): The Internal Revenue Code
 - [42 U.S.C., Chapter 7](#): The Social Security Act
- Unless you rebut the usually false “presumption” that you are engaging in the franchise by rebutting the information returns and the Social Security Number and opening all your financial accounts as a “nonresident alien”, then the federal courts will silently “presume” that you are a “taxpayer” subject to the I.R.C. who consented to procure the benefits of the “franchise”

Jurisdiction of Federal Courts Over Federal Income Taxes

- **QUESTION:** How did you become subject to the I.R.C. and the federal courts?:

[California Civil Code](#)

DIVISION 3. OBLIGATIONS

PART 2. CONTRACTS

TITLE 1. NATURE OF A CONTRACT

CHAPTER 3. CONSENT

1589. A voluntary acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting.

[SOURCE:

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=1589.&lawCode=CIV**]**

- **ANSWER:** You accepted the benefits of the franchise!

- You accepted “contractor compensation” in the form of:
 - » “trade or business” deductions under [26 U.S.C. §162](#)
 - » A reduced/graduated rate of tax under [26 U.S.C. §1](#) instead of the flat 30% rate
 - » Earned income credits under [26 U.S.C. §32](#)
- You became eligible for:
 - » Socialist Insecurity. See:
[Resignation of Compelled Social Security Trustee](#), Form #06.002
<http://sedm.org/Forms/FormIndex.htm>
 - » Medicare
 - » Unemployment Compensation

BUT WHERE'S THE CONSENT TO THE AGREEMENT?!!

- For those who accepted the benefits, the I.R.C. and the Social Security Act are “law”
- For those who didn't, it isn't and is as foreign as the laws in China are to the average American
- The LAW is the CONTRACT! It is “private law” but it is still “law”

“Private law. That portion of the law which defines, regulates, enforces, and administers relationships among individuals, associations, and corporations. As used in contradistinction to public law, the term means all that part of the law which is administered between citizen and citizen, or which is concerned with the definition, regulation, and enforcement of rights in cases where both the person in whom the right inheres and the person upon whom the obligation is incident are private individuals. See also Private bill; Special law. Compare Public Law.”
[Black's Law Dictionary, Sixth Edition, p. 1196]

- The U.S. Supreme Court has said that **EVERY CITIZEN IS SUPPOSED TO KNOW THE LAW**. Therefore, you received reasonable constructive notice of the terms of the contract:

“Every citizen of the United States is supposed to know the law. . .”
[Floyd Acceptances, [7 Wall \(74 U.S. 169\) 666](#) (1869)]

“Every man is supposed to know the law. A party who makes a contract with an officer [of the government] without having it reduced to writing is knowingly accessory to a violation of duty on his part. Such a party aids in the violation of the law.”

[Clark v. United States, [95 U.S. 539](#) (1877)]

- Don't believe us? Read the truth for yourself!:
Requirement for Reasonable Notice, Form #05.022
<http://sedm.org/Forms/FormIndex.htm>

Tax Crimes

- Identified in [26 U.S.C. §7201](#) through [7217](#)
- Facts about tax crimes:
 - There are no implementing regulations, which means they only apply to federal employees, contractors, and agencies listed under [44 U.S.C. §1505\(a\)\(1\)](#) and [5 U.S.C. §553\(a\)](#)
 - No agency has investigative jurisdiction. See [U.S. Atty Manual section 9-4.139](#) and [Great IRS Hoax, Form #11.302](#) section 5.4.10, which clearly prove this
 - Criminal laws of any jurisdiction only apply within its [territory](#)
 - States of the Union are not “[territory](#)” of the United States, and therefore are not subject to the criminal laws of the United States
- The prerequisite for all federal tax crimes is “[willfulness](#)”:

willful. Proceeding from a conscious motion of the will; voluntary; knowingly deliberate. Intending the result which actually comes to pass; designed; intentional; purposeful; not accidental or involuntary.

Premeditated; malicious; done with evil intent, or with a bad motive or purpose, or with indifference to the natural consequence; unlawful; without legal justification.

An act or omission is "willfully" done, if done voluntarily and intentionally and with the specific intent to do something the law forbids, or with the specific intent to fail to do something the law requires to be done; that is to say, with bad purpose either to disobey or to disregard the law. It is a word of many meanings, with its construction often influenced to its context. *Screws v. United States*, [325 U.S. 91](#), 101, 65 S.Ct. 1031, 1035, 89 L.Ed. 1495.

A willful act may be described as one done intentionally, knowingly, and purposely, without justifiable excuse, as distinguished from an act done carelessly, thoughtlessly, heedlessly, or inadvertently. A willful act differs essentially from a negligent act. The one is positive and the other negative. [Black's Law Dictionary, Sixth Edition, p. 1599]

- For details on what constitutes reasonable belief about tax liability and how to avoid a charge of willfulness, see our free pamphlet:
Reasonable Belief About Tax Liability, Form #05.007
<http://sedm.org/Forms/FormIndex.htm>

U.S. Attorneys and Tax Crimes

- **U.S. Attorneys:**
 - Don't have the delegated authority to investigate tax crimes under [26 U.S.C. 7201](#) through [7217](#), because there are no implementing regulations authorizing them to do this against OTHER than federal instrumentalities, employees, and public officers
 - May not prosecute or defend tax crimes outside of the District of Columbia. See [4 U.S.C. §72](#) and [Treasury Order 150-02](#)
 - Don't have the legal authority to defend IRS agents involved in misconduct or who violate the Internal Revenue Code or who are sued by citizens. See [U.S. Attorney Manual, section 6-4.200](#)

State Income Taxation

- Described in:
 - State Income Taxes, Form #05.031
<http://sedm.org/Forms/FormIndex.htm>
 - Chapter 4 or the Tax Fraud Prevention Manual
- Additional information available at:
 - State Response Letter Page, Form #07.201
<http://sedm.org/Forms/FormIndex.htm>
- The following states do not have state income taxation:
 - Alaska
 - Florida
 - Nevada
 - New Hampshire
 - South Dakota
 - Tennessee
 - Texas
 - Washington
 - Wyoming
- The reason that state income taxes don't violate constitutional rights is because:
 - They are based on federal liability first
 - There are no constitutional rights within the federal zone
 - The only way you can be "liable" is if you volunteer, and at least theoretically, what you volunteer for can't hurt you under common law

TWO states within each state of the Union

- There are **TWO** states within each state of the Union:
 - **Republic State**. Land within the exclusive jurisdiction of the state fall within this area.
 - **Corporate State**. This area consists of federal areas within the exterior limits of the state. These areas are **federal territory** not protected by the Constitution of the United States or the Bill of Rights and are “instrumentalities” of the federal government. Jurisdiction over these areas is ***shared*** with the federal government under the auspices of the following legal authorities:
 - » The Buck Act, **4 U.S.C. §§105-111**
 - » Agreements on Coordination of Tax Administration (ACTA) between the state and the Secretary of the Treasury. See section 7 later.
 - » The Assimilated Crimes Act, **18 U.S.C. §13**.
 - » **28 U.S.C. §2679(c)** , which says that any action against an officer or employee of the United States in which the officer or employee is acting outside their authority shall be prosecuted in a state court.
 - » The Rules of Decision Act, **28 U.S.C. §1652**. This act prescribes which of the two conflicting laws shall prevail in the case of crimes on federal territory.
- For more information on the “choice of law” rules governing which of these two jurisdictions you are in, see sections 2 and 3 of the following:
Federal Jurisdiction, Form #05.018
<http://sedm.org/Forms/FormIndex.htm>

TWO states within each state of the Union

- There are **NO** constitutional rights or protections within the Corporate State
- **Everything** within the Corporate State is a “franchise” and a “privilege” that is *taxable* and *regulated*
- If you were born within and are **domiciled within** the Republic State, you can only join the Corporate State by your tacit or implied consent in some form. We join the Corporate State by consenting to become a “public officer”, and at that point we:
 - Are representing a federal corporation, which is the “United States”. See **28 U.S.C. §3002**(15)(A)
 - Become “officers of a corporation” subject to the penalty provisions of the I.R.C. at **26 U.S.C. §6671**(b)
 - Become “officers of a corporation” subject to the criminal provisions of the I.R.C. at **26 U.S.C. §7343**
 - Are subject to the laws in the place where the corporation was incorporated pursuant to **Federal Rule of Civil Procedure 17**(b), **26 U.S.C. §7701**(a)(39), and **26 U.S.C. §7408**(d)
- Remember, all federal corporations are statutory “U.S. citizens”, and therefore, we become statutory “U.S. citizens” while representing “U.S. Inc” as “public officers”

TWO states within each state of the Union

- How do we consent to become a “resident” (alien) domiciled within the “Corporate State” and therefore a “taxpayer”?:
 - Accepting federal employment or a federal “public office”. See:
Why Your Government is Either a Thief or you are a “Public Officer” for Income Tax Purposes, Form #05.008
<http://sedm.org/Forms/FormIndex.htm>
 - Applying for any federal or state “benefit” or program, such as:
 - » Social Security
 - » Medicare
 - » FICA**Proof:** See
Resignation of Compelled Social Security Trustee, Form #06.002
<http://sedm.org/Forms/FormIndex.htm>
 - Applying for any kind of government “license” or “privilege”, including:
 - » Driver’s license. You can’t legally apply for or receive a “State” driver’s license without a “domicile” in the “Corporate State”. See:
Defending Your Right to Travel, Form #06.010
<http://sedm.org/Forms/FormIndex.htm>
 - » Marriage license. Marriage is a thing of common right, according to the courts. Therefore, it can only be “licensed” in places where constitutional rights do NOT exist, such as the federal zone or the “Corporate State”. See:
Sovereign Christian Marriage, Form #06.009
<http://sedm.org/Forms/FormIndex.htm>
 - » Professional license
 - Using a Social Security Number or “Taxpayer Identification Number” in connection with any of our private financial affairs. All such numbers belong to the government. You cannot lawfully use such “public property” without being a federal “employee” or “public officer”

State v. Federal Income Taxation

- State and Federal legislative and territorial jurisdictions are mutually exclusive. This is a result of the separation of powers doctrine. See:
 - Separation of Powers Doctrine
<http://famguardian.org/Subjects/LawAndGovt/Articles/SeparationOfPowersDoctrine.htm>
 - Government Conspiracy to Destroy the Separation of Powers, Form #05.023
<http://sedm.org/Forms/FormIndex.htm>
- All income taxes are based on legal domicile
- You can only have a legal domicile in ONE of the two jurisdictions at a time: State or Federal
- All state income tax liability has federal liability as a prerequisite
- All federal income taxation presumes a legal domicile on federal territory and WITHOUT land under the exclusive jurisdiction of your state
- THEREFORE: If you do not have a legal domicile on federal territory and are not representing a business entity that does pursuant to Federal Rule of Civil Procedure 17(b), then you are a “nontaxpayer” not subject to I.R.C. Subtitle A who has no requirement to file a tax return

State v. Federal Income Taxation

- State income taxes are based on the Buck Act, found in [4 U.S.C. §§105-111](#)
- State income taxes imposed under the authority of:
 - [4 U.S.C. §106](#): State, and so forth, taxation affecting Federal areas; sales or use tax; income tax
 - [5 U.S.C. §5517](#): Withholding State Income Taxes
- The “[State](#)” referenced in the above statutes is a ***federal*** “State” which is defined in [4 U.S.C. §110](#)(d) as a “territory or possession” of the United States:

TITLE 4 - FLAG AND SEAL, SEAT OF GOVERNMENT, AND THE STATES
CHAPTER 4 - THE STATES

[Sec. 110. Same](#); definitions
(d) The term "State" includes any [Territory](#) or possession of the United States.
- Federal “areas” or “enclaves” within states of the Union are technically “possessions” of the United States and fall under the exclusive control of the federal government under [Article 4](#), Section 3, Clause 2 of the Constitution of the United States

State v. Federal Income Taxation

- States of the Union do NOT qualify as “[States](#)” within the meaning of the Buck Act above
- Those who file and sign only a federal 1040 form are claiming that they are any one of the following:
 - “aliens” or “residents” or “resident aliens” who live in a federal possession. See [Great IRS Hoax, Form #11.302](#), sections 5.5.2 and 5.5.3
 - “U.S citizens” working overseas but not in a state of the Union under [26 U.S.C. §911](#)
 - “U.S. persons” under [26 U.S.C. §7701\(a\)\(30\)](#). See [Great IRS Hoax, Form #11.302](#) section 5.4.12.
 - “[taxpayers](#)” who earn “[taxable income](#)” and “[gross income](#)”
- If you don’t have a federal income tax liability under [Subtitle A of the Internal Revenue Code](#), it’s impossible to have a state liability, because the “[situs](#)” for taxation is the same for both state and federal income tax purposes
- Most state income tax codes (franchises) use exactly the same definitions as those found in the [Internal Revenue Code](#). See:

<http://famguardian.org/TaxFreedom/LegalRef/StateLegalResources.htm>

State v. Federal Income Taxation

- **States need permission from the Secretary of the Treasury of the United States to assess or collect [I.R.C. Subtitle A](#) income taxes:**
 - State must sign an Agreement on Coordination of Tax Administration (ACTA) pursuant to [26 U.S.C. §6361 through 6365](#) and [26 C.F.R. §301.6161-1 through 301.6165-2](#) in order to obtain authority to collect on federal territory within the Corporate State
 - Gives the state permission to collect income taxes in federal areas within their exterior boundaries
 - Reason federal permission is necessary for states to collect is because the power of taxation within federal possessions is “plenary” and resides exclusively with the federal government, but the federal government may consent to allow states to tax there as well under the rules of “comity”
- **ACTA agreements:**
 - Are an incentive to the states to collude with the federal government in allowing or acquiescing to *illegal* collection of federal income taxes by the IRS in areas that are outside of federal areas within the state. It’s all about money, and as long as the state gets it’s cut, then it looks the other way while the federal beast rapes, pillages, and extorts money from those who aren’t liable
 - Are a BIG secret, and you will find it difficult to get a copy of the one for your state
 - If revealed and used to litigate against the states, would blow the lid on the state income tax fraud

State v. Federal Income Taxation

- It is a **serious** mistake to file a state income tax return and assess a liability if you either aren't filing a federal return or have not federal liability.
 - Under the “FedState” program, state and federal governments share electronic information about you and they will snitch on you. See [Internal Revenue Manual \(IRM\) Part 11, Chapter 4, Section 1](#) for details.
 - If the federal and state databases don't match, you could be wrongfully prosecuted for fraud or worst yet tax evasion

Example: California

- Personal Income Taxes described in the Revenue and Taxation Code (R&TC), section [Division 2, part 10](#)
- Tax is “imposed” in [section 17041](#) on “residents of this state”
- Definition of “State”:

Revenue and Taxation Code (R&TC)

[6017](#). *"In this State" or "in the State" means within the exterior limits of the State of California and includes all territory within these limits owned by or ceded to the United States of America.*

[17018](#). *"State" includes the District of Columbia, and the possessions of the United States.*

- Only “nonresidents” of the state are subjected to the income tax. See [California form 590](#) for proof
- [California Form 540](#) tax return on line 12 says:
“12. **State** wages from your form(s) W-2, box 17”
- The only earnings from labor that go on [form 540](#) are those which:
 - Were earned in federal areas within the state
 - Constitute “wages”, which may only be earned by federal employees who have a *voluntary* withholding agreement in place called a W-4 as required under [26 C.F.R. §31.3401\(a\)-3](#)(a) and 26 U.S.C. §3402(p).

Your State Income Tax?

- Look in the following sources to find out about your particular state:
 - State Income Tax Response Letters, Form #07.201
<http://sedm.org/SampleLetters/States/StateRespLtrIndex.htm>
 - State Legal Resources:
<http://famguardian.org/TaxFreedom/LegalRef/StateLegalResources.htm>
 - State Income Tax Information:
<http://famguardian.org/Subjects/Taxes/Research/StateIncomeTaxes.htm>
 - State Income Tax Forms:
<http://www.taxadmin.org/fta/link/forms.html>
 - *[Tax Fraud Prevention Manual, Form #06.008](#)*, Chapter 4: Details about your state's (usually fraudulent) approach towards personal income taxes

Flawed Tax Arguments

- If you intend to use any of this information in your own case, it is VERY important that you read ALL the following analysis of the many **FLAWED** tax arguments out there from the government, legal profession, and other groups:
 - *Flawed Tax Arguments to Avoid*, Form #08.004
<http://sedm.org/Forms/FormIndex.htm>
 - *Legal Deception, Propaganda, and Fraud*, Form #05.014
<http://sedm.org/Forms/FormIndex.htm>
 - *Rebutted Version of IRS “The Truth About Frivolous Tax Arguments*, Form #08.005
<http://sedm.org/Forms/FormIndex.htm>
 - *Rebutted Version of Congressional Research Service Report 97-59A “Frequently Asked Questions Concerning the Federal Income Tax”*, Form #08.006
<http://sedm.org/Forms/FormIndex.htm>
 - *Rebutted Version of Dan Evan’s “Tax Protester Frequently Asked Questions”*, Form #08.007
<http://famguardian.org/Subjects/Taxes/FalseRhetoric/TRFAQ/TRFAQ.htm>
- You can find all the above and more in our Liberty University, Section 8 entitled *Resources to Rebut Government, Legal and Tax Profession Lies and Propaganda* available at:
<http://sedm.org/LibertyU/LibertyU.htm>

Filing Tax Returns

- We have extensive information about how to file tax returns for COMPLIANT members who are nonresident aliens at:
 - *Hot Issues: Filing Returns***, SEDM (Member Subscriptions)
<https://sedm.org/filing-returns/>
 - *How to File Returns, Form #9.074*** (Member Subscriptions)
<https://sedm.org/product/filing-returns-form-09-074/>
 - *Procedure to File Tax Returns*, Form #09.075 ** (Member Subscriptions)
<https://sedm.org/product/procedure-to-file-tax-returns-form-09-075/>

Digging Deeper

- If you want to learn more detail about the subjects in this short course, please refer to the following resources:
 - ***Basics of Taxation***, Liberty University, Section 3
» <http://sedm.org/LibertyU/LibertyU.htm>
 - ***Income Tax Withholding and Reporting Course***, Form #12.004
<http://sedm.org/Forms/FormIndex.htm>
 - ***Great IRS Hoax Book***, Form #11.302-details about taxation
<http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
 - ***The Galileo Paradigm Book***, Form #11.303-details about taxation
<http://famguardian.org/Publications/GalileoParadigm/TheGalileoParadigm2007-final.pdf>
 - ***Federal and State Tax Withholding for Private Employers Book***, Form #09.001
<http://sedm.org/Forms/FormIndex.htm>
 - ***Federal Tax Withholding***, Form #04.102-summary of statutes on federal tax withholding
<http://sedm.org/Forms/FormIndex.htm>

Digging Deeper (cont.)

- ***Master File Decoder***-decode your IRS electronic records to expose fraud and violations of law
<http://sedm.org/ItemInfo/Programs/MFDecoder/MFDecoder.htm>
- ***Tax Response Letter Forms***, SEDM Form Page, Section 1.7-respond to unlawful federal tax collection actions
<http://sedm.org/Forms/FormIndex.htm>
- ***Federal Response Letter Index***, Form #07.301-respond to unlawful federal tax collection actions
<http://sedm.org/SampleLetters/Federal/FedLetterAndNoticeIndex.htm>
- ***State Response Letter Index***, Form #07.201-respond to unlawful state tax collection actions
<http://sedm.org/SampleLetters/States/StateRespLtrIndex.htm>
- ***Nontaxpayer's Audit Defense Manual***, Form #06.010-defend yourself at a tax audit
<http://sedm.org/Forms/FormIndex.htm>

Getting Connected: Resources

- **Ministries**
 - Family Guardian Website: <http://famguardian.org>
 - Sovereignty Education and Defense Ministry (SEDM): <http://sedm.org>
 - Foreign Tax Status Information Group (FTSIG): <https://ftsig.org>
 - Nike Insights: <http://nikeinsights.famguardian.org/>
 - Sheldon Emry Memorial Library: <http://sheldonemrylibrary.famguardian.org/>
 - Constitution Research: <http://constitutionresearch.org>
 - Ben Williams Library: <http://www.benwilliamslibrary.com/>
 - John Weaver Library: <http://johnweaverlibrary.famguardian.org/>
- **Organizations:**
 - We the People Foundation for Constitutional Education:
<http://givemeliberty.org>
- **Legal Research Sources**
 - Legal Research Sources:
<http://famguardian.org/TaxFreedom/LegalRef/LegalResrchSrc.htm>
 - Legal Research DVD-very complete legal reference library on one DVD. Includes all titles of U.S.C, regulations, organic documents, etc.
<http://sedm.org/ItemInfo/Disks/LegalResearchDVD.htm>
 - Cornell University Legal Information Institute (LII): <http://www.law.cornell.edu/>
 - Code of Federal Regulations (CFR): <http://law.justia.com/us/cfr/>
 - FindLaw: <http://www.findlaw.com/>

Sovereignty Education and Defense Ministry (SEDM)

- Founded in 2003
- A non-profit Christian/religious ministry
- Mission statement found at:
<http://sedm.org/Ministry/AboutUs.htm>
- ***Articles of Mission***, Form #01.004 available at:
<http://sedm.org/Forms/FormIndex.htm>
- Managed by a board of ordained ministers
- Ministry offerings are completely consistent with materials found on the [Family Guardian Website](#)
- Educational course materials available only to “members”, who must be “nonresidents” and “nontaxpayers” not engaged in a “[trade or business](#)” and who believe in God
- All educational materials obtained online only
- Signed [Member Agreement, Form #01.001](#) required to join or obtain any ministry offerings
- Based out of (but NOT domiciled in) Canada and outside of jurisdiction of United States government
- Focus exclusively on human beings and not businesses
- See the [“About Us” page](#) for further details on the ministry
- See our Frequently Asked Questions page, which answers most questions to or about us:
 - <http://sedm.org/FAQs/FAQs.htm>

Sovereignty Education and Defense Ministry (SEDM)

- **We are NOT:**
 - Anti-government, but pro SELF-government
 - “Tax protesters”, “tax deniers”, or “tax defiers”, but rather a legal education and law enforcement ministry
- **WE DO NOT:**
 - Offer any kind of investment or “tax shelter” or engage in any kind of commerce within the jurisdiction of the “United States”
 - Provide legal advice or representation (but do provide “assistance of counsel”).
 - Allow our materials or services to be used for any unlawful purpose
 - Make legal determinations about your status
 - Market, advertise, or “promote” anything or pursue any commercial purpose. Our goals are exclusively moral and spiritual and not financial.
 - Interact directly with the IRS on your behalf
 - Offer asset protection, trusts, or corporation soles
 - Make promises or assurances about the effectiveness of our materials or information
 - “Represent” anyone using IRS 2848 Power of Attorney forms
 - Prepare or advise in the preparation of tax returns for others

Sovereignty Education and Defense Ministry (SEDM)

- **WE DO NOT:**

- Allow our materials or services to be used to interact with the government or legal profession on behalf of STATUTORY “[taxpayers](#)”, “[U.S. citizens](#)”, “[U.S. persons](#)”, “U.S. residents”, or any instrumentality of the federal government, including especially “[public officers](#)”
- Connect ourselves with a “[trade or business in the United States](#)” or any government franchise
- Engage in factual or actionable speech. All of our offerings constitute religious beliefs and opinions that are not admissible as evidence pursuant to [Federal Rule of Evidence 610](#). Only you can make them admissible as evidence by signing them under penalty of perjury as part of an affidavit
- Advocate or endorse any of the flawed tax arguments identified by the courts in the following document:

Flawed Tax Arguments to Avoid, Form #08.004

<http://sedm.org/Forms/FormIndex.htm>

- **For rebutted false arguments against this ministry, see:**

Policy Document: Rebutted False Arguments Against This Website, Form #08.011

<http://sedm.org/Forms/FormIndex.htm>

SEDM Educational Curricula

- **Response Letters:** Automated responses to common state and IRS tax collection notices. Require Microsoft Word to edit and assemble
 - [Federal Response Letters, Form #07.301](#)
 - [State Tax Response Letters, Form #07.201](#)
- **Electronic books**
 - [Tax Fraud Prevention Manual, Form #06.008](#)-describes how to protect your status as a “[nontaxpayer](#)”
 - [Nontaxpayer’s Audit Defense Manual, Form #06.011](#)-how to deal with a tax audit
 - [Sovereign Christian Marriage, Form #06.009](#)-how to get married without a state marriage license
 - [Secrets of the Legal Industry, Litigation Tool #10.003](#)-critical details on how to litigate in court for neophytes. By Richard Cornforth
 - [IRS Document 6209](#)-how to decode your IRS tax records
 - [SSN Policy Manual, Form #06.013](#)-how to live without an SSN
 - [Defending Your Right to Travel, Form #06.010](#)-how to drive without state-issued license and without becoming a “resident” of the corporate state
 - [What Happened to Justice, Form #06.012](#)-shows the corruption of our federal court system and how to destroy any civil or criminal prosecution by the government

SEDM Educational Curricula (cont.)

- **CD-ROMS**

- [*Liberty Library CD, Form #11.102*](#)-collection of free materials off the Family Guardian Website for those who have slow dial-up internet connections
- [*Tax Deposition CD, Form #11.301*](#)-questions to ask the IRS at a deposition. Includes extensive evidence
- [*Highlights of American Legal and Political History CD, Form #11.202*](#)-exhaustive history of the systematic corruption of our government and legal systems from the founding of this country
- [*What Happened to Justice, Form #06.012*](#)-shows the corruption of our federal court system and how to destroy any civil or criminal prosecution by the government

SEDM Educational Curricula (cont.)

- **DVD-ROMS**
 - [Legal Research DVD, Form #11.201](#)-very complete legal reference library on one DVD. Includes all titles of U.S.C, regulations, organic documents, etc.
 - [Family Guardian Website DVD, Form #11.103](#)-entire Family Guardian Website on DVD-R media
 - [Sovereignty Research DVD, Form #11.101](#)-entire SEDM website contents excluding items available through SEDM Ministry Bookstore, plus IRS DVD from Family Guardian Website.
- **DVD movies:**
 - [How to Keep 100% of Your Earnings](#)-Marc Lucas
 - [Breaking the Invisible Shackles](#)-Sherry Peel Jackson
- [Legal Pleadings](#)
- **Individual Master File (IMF) Decoding and Rebuttal:**
 - [Master File Decoder Standard](#): Program that decodes your IRS electronic records
 - [Master File Decoder Professional](#): Program that decodes your IRS electronic records and includes complete electronic reference library of decoding publications
 - Full Service IMF Decoding for Single Individual
 - Full Service IMF Decoding for Married Couple
- [Liberty University](#)-free curriculum to teach you about law and freedom
 - Several Movies
 - [Federal and State Withholding Options for Private Employers, Form #09.001](#)-shows how to stop withholding legally
 - [What to Do When the IRS Comes Knocking, Form #09.002](#)-how to handle an IRS raid
 - ...and MUCH, MUCH more

Conclusions

- There is much to know in order to effectively combat illegal activity of all kinds by the government, including illegal enforcement of the tax code (franchise) by the IRS
- SEDM exists to provide educational materials that will help you get educated
- We won't fight the battle for you, but we provide tools to help you in your own fight to defend your rights as a "[nontaxpayer](#)" and a sovereign American National
- We can only educate and equip people who:
 - Consent to our [Member Agreement](#)
 - Are "[nontaxpayers](#)"
 - Are not STATUTORY "U.S. citizens", "[U.S. persons](#)", or "U.S. residents"
 - Have no STATUTORY "income" connected with a "[trade or business](#)" in the United States (government)
 - Live outside of the federal STATUTORY "[United States](#)"/[federal zone](#)
 - Have committed themselves to getting educated so the IRS can't exploit their ignorance to victimize them
 - Do not have any contracts or employment with the federal government
- Getting educated and being vigilant in defending your legal rights is the key to staying sovereign
- We want to help you get educated, be self governing, and separate yourself from [the government "matrix"](#). We as believers are the "church" and everyone else is the "state" and we seek separation of church and state.

Questions?

